

**City of Mankato  
And  
Blue Earth County Economic  
Development Authorities**



**Housing Choice Voucher Program  
Administrative Plan**

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# **City of Mankato and Blue Earth County Economic Development Authorities Housing Choice Voucher Program Administrative Plan**

The City of Mankato and Blue Earth County Economic Development Authority (EDA) area of operation is the legal boundary of Blue Earth County. The City of Mankato and the Blue Earth County EDAs have signed inter-jurisdictional agreements that allow program participants of the Mankato EDA to reside in Blue Earth County, outside of the Mankato city limits, and participants of the Blue Earth County EDA to reside within the city limits of Mankato.

The EDAs contract with the City of Mankato for administrative staff to operate the housing programs. Administration of the housing programs will be in compliance with the Personnel Policy of the City of Mankato, the Equal Opportunity Plan, Fair Housing Law, and all Federal, State, and local law and regulations.

## **Program Objectives**

The Housing Choice Voucher program is designed to achieve four major objectives:

1. To provide improved living conditions at an affordable rent for very low-income families, and for disabled and elderly people.
2. To promote freedom of housing choice to those we serve.
3. To provide decent, safe and sanitary housing.
4. To provide an incentive to private property owners to rent to very low-income people by offering rental assistance.

## **Purpose of the Plan**

The purpose of this Administrative Plan is to establish policies that are not covered under Federal regulation for the Housing Choice Voucher program. Changes to the plan will be approved by the Board of Commissioners of the two EDAs. The EDAs are responsible for complying with all subsequent changes in the HUD regulations

pertaining to these programs. If such changes conflict with this plan, HUD regulations will have precedence.

## **Outreach Procedures**

The EDAs continue to publicize and distribute information, as needed, concerning the availability of housing assistance as outlined in the marketing plan. Marketing efforts include but are not limited to the print, radio, and television media, as well as the coordination of referrals from other social service agencies such as Blue Earth County Human Services, the CADA House, Salvation Army, and Partners for Affordable Housing. Special outreach efforts are made to insure that minorities, families, disabled and elderly persons are made aware of the programs and given every opportunity to apply.

The Housing Division Staff make a continuous effort to attract owners of rental property to participate in the Housing Choice Voucher (HCV) program. This is accomplished by personal contact with owners, property managers, and real estate agencies. An "Owners Fact Sheet" is included in each program participant briefing packet to be given to owners who have no knowledge of the HCV program. New owners receive a copy of "An Owners Guide to Housing Choice Voucher" which is available at the EDA office.

## **Application Process and Waiting Lists**

The EDAs receive applications for HCV rental assistance on an "open enrollment" basis. Any person requesting an application for HCV rental assistance will be given the opportunity to apply. Should the waiting list become too long to serve those waiting within a reasonable amount of time, perhaps two years, the Executive Director will close the list to new applicants. The application process is completed as follows:

### **Application**

A pre-application is completed to determine apparent eligibility and placement on the waiting list. A full application is completed when the applicant's name nears the top of the waiting list.

An applicant whose household includes a member who owes the EDA or any other housing authority money in connection with HCV or public housing assistance will be denied placement on the HCV waiting list

until the bill is paid.

All apparently eligible applicants will be placed on the HCV waiting list.

Applicants placed on the waiting list will be notified in writing verifying their eligibility and place on the waiting list.

An applicant determined ineligible will be promptly notified in writing. The notice will state the reason for the determination, and that the applicant, when appropriate, may request an informal review of the decision and how to arrange for the informal review.

Applicants are responsible for notifying the EDA, in writing, within ten days, of any changes in family income, address, and family members, and are responsible for responding to requests from the EDA to update the application on the waiting list.

Refusal to provide true and/or complete information will result in the applicant being removed from the waiting list.

### **Opening the Waiting List**

When it is determined that additional applicants are needed for the waiting list, the Executive Director will open the list. Pre-applications will be accepted for a specified period of time, after which pre-applications will be placed in a pool and a pre-determined number of applicants will be selected, at random, to be placed on the list. Pre-applications not selected at random will be shredded. If the number of desired pre-applications is not received during the specified period of time, the list will remain open and pre-applications will be received and ranked according to the time of day and date received until the desired number of pre-applications is received.

If it is determined that the existing waiting list contains an adequate pool for use of available program funding, the EDA may stop taking new applications or accept only applications meeting criteria specified by the EDA.

The opening of the waiting list will be announced by public notice that pre-applications for the Housing Choice Voucher program will again be accepted. The notice will state where, when, and how to apply, as well as any limitations as to who can apply. The notice will be published in the

local newspaper of general circulation, as well as by electronic media. Special care will be given to reach minority and disabled citizens of the community and be in compliance with Fair Housing requirements.

### **Waiting List Management**

Each application is assigned to a position on the waiting list that is appropriate to the applicant's housing needs, preferences, and residence through a comparison of the applicant and all other applicants.

Applicants will be ranked based on their accumulation of points for preference based on local residency and veteran's status. The applicant receiving the highest number of points will be ranked first on the waiting list; all other applicants will be ranked in descending order. Applicants that receive the same number of points will be ranked based on the date and time of each application, the oldest being ranked first and all others based on their age in ascending order. Non-resident applicants who become qualified residents following their initial application will be re-ranked substituting the date on which they became qualified as residents for the date of application.

### **Preference**

The City of Mankato and the Blue Earth County EDAs will give local residency preference to applicants where the head or spouse resides in Blue Earth County as evidenced by a lease agreement, photo identification, utility bills, work agreement, verification of school enrollment, or other verification, or where the head or spouse works at least 30 hours per week in Blue Earth County, or where the head or spouse attends school fulltime in Blue Earth County.

Local residents will receive ten points. Veterans will receive one preference point. A veteran is defined as any person who has been separated from any branch of the US Armed Service under honorable conditions and who served on active duty for one hundred and eighty one consecutive days, or by reason of disability incurred in service while on active duty.

### **Removal from the Waiting List**

Applicants will be removed from the waiting list in any of the following circumstances:

1. Applicant does not respond to EDA request for information or periodic update.
2. EDA attempts to contact and cannot locate applicant.

3. Applicant has refused tenant-based assistance under the Voucher Program.

4. If at any time, it is determined that an apparently eligible applicant is not eligible for voucher rental assistance.

5. Applicant indicates they are no longer interested in voucher rental assistance.

### **Applicant Selection**

The EDA will select the eligible families by oldest date of current active application on the HCV waiting list. They do not have to be #1 on the waiting list but will be admitted as funding is available.

Waiting List Admissions: Participants will be selected from the HCV waiting list according to the date and time of their application and preferences received. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family may not be provided housing assistance for which the family unit size is determined by the EDA subsidy standard to exceed the one bedroom level.

## **Determining Eligibility for Participation**

### **Who Is Eligible**

The EDA may only admit an eligible family to a program. To be eligible, the applicant must be a "family," must be income-eligible, and must be a citizen or a non-citizen who has eligible immigration status.

Family: A family may be a single person or a group of persons. A family includes a family with a child or children; a group of persons consisting of two or more elderly or disabled persons living together. One or more elderly or disabled persons living with one or more "live-in aides" is a family. A single person may be: (1) "An elderly person", (2) "A displaced person", (3) "A disabled person", (4) Any other single person.

A child who is temporarily away from the home because of placement in foster care, and the family presents evidence that the child is expected to return home within 6 months, is counted as part of the family.

Live-in Aide: A person who resides with an elderly or disabled person and who: (1) is determined to be essential to the care and well-being of



the person, (2) is not obligated for the support of the person; and (3) would not be living in the unit except to provide necessary supportive services. A live-in aide cannot owe the housing authority any money nor have a history of violent or drug related criminal behavior. A live-in aide must be at least 18 years of age. The HCV assisted unit must be the live-in aide's primary residence.

Elderly Person: A person who is at least 62 years of age.

Displaced Person: A person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

Disabled Person (Person with Disabilities): A person who is any of the following: (1) A person who has a disability as defined in Section 223 of the Social Security Act. (2) A person who has a physical, mental, or emotional impairment that: i. Is expected to be of long continued and indefinite duration; ii. Substantially impedes his or her ability to live independently, and iii. Is of such a nature that ability to live independently could be improved by more suitable housing conditions. (3) A person who has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)).

Temporarily Absent Family Member: A family member will be considered temporarily absent if: (1) A child is removed from the household and the family presents evidence that there is a reasonable expectation that the child will return within 6 months. (2) An adult child of the family is attending school away from home and will be home during school recesses and family declares the student's income. (3) The head, spouse or co-tenant is in the military service and is away for active duty or training.

## **Income**

To be income eligible, the family must be either: (1) A "very low-income" family; or (2) A "low-income family" in any of the following categories: a) A low-income family that is "continuously assisted" under the 1937 Housing Act. b) A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511. c) A low-income non-purchasing family residing in a HOPE I or HOPE 2 project. d) A low-income non-purchasing family residing in a project subject to a home

ownership program under 24 CFR 248.173. e) A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of mortgage insurance contract under 24 CFR 248.165. f) For the certificate program only, a low-income family residing in a HUD-owned multifamily rental housing project when HUD sells, forecloses or demolishes the project.

**Very Low Income Family:** A family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

**Low Income Family:** A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

### **Continuously Assisted**

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program. The family is considered to be continuously assisted if they have experienced an interruption in assistance of less than 120 days between assisted occupancy of one unit and assisted occupancy of the unit for which they will be assisted.

A public housing family may be offered a Housing Choice Voucher, if available, and at the discretion of the EDA, to accommodate a disability.

No deductions or allowances are subtracted for the total annual income in determining the family's eligibility for the program.

At the time of admission to the program the family may only use the voucher in a jurisdiction where the family is income eligible.

### **Social Security Number Requirement**

An applicant must provide the Social Security number and valid Social Security card, (or other documentation acceptable to the EDA) for all family members. An applicant who has never had a Social Security number, or who has family members age six or older who do not have a Social Security number, must certify to this fact.

### **United States Citizenship Status Requirement**

An applicant must provide evidence of citizenship or eligible immigration status. A family may not be eligible for assistance unless every member of the family residing in the unit is determined to have eligible immigration status. Exception for mixed families: Despite the ineligibility of one or more family members, a mixed family may be eligible for one of the following three types of assistance: (a) Continued assistance; (b) Temporary deferral of termination of assistance; (c) Prorated assistance.

**Citizen:** A citizen (by birth or naturalization) or national of the United States.

**Mixed Family:** A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

**National:** A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession, including Puerto Rico, the US Virgin Islands, Guam, Canal Zone, etc.

**Non-Citizen:** A person who is neither a citizen nor a national of the United States.

## **Verification Procedures**

The EDA verifies family income, household members, value of assets, (self-certification will be accepted for assets under \$5,000 per PIH Notice 2012-03) social security numbers, criminal history, citizenship status and other factors relating to final eligibility determinations before an applicant is assisted or a current participant is re-certified, as specified in federal regulation.

Whenever possible, the EDA will obtain third party written verifications directly from the third party source. If this is not possible, then direct verbal contact with the third party source by EDA staff is acceptable.

When third party verification is not possible the applicant will be required to provide the actual document. The document will be photocopied for the EDA file.

In unusual circumstances and as a last resort, the EDA may agree to accept a notarized statement by the applicant on a temporary basis until

more objective verification methods are available.

Where allowed by HUD and/or other State and local agencies, computer matching will be done.

The EDA may verify past and current employment information with the state employment office, as allowed under the Stewart B. McKinney Act.

Criminal history checks will be made for all applicants and adult family members, for at least the past three years.

All determinations will be fully documented in the family's file.

## **Determining Annual Income**

A. Annual income means all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
2. Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
3. Which are not specifically excluded in paragraph C. of this section.
4. Amounts derived from assets to which any member of the family has access.

If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period. The EDA may use the last 12 months of income if the income cannot be anticipated for the coming year (i.e., piece-work, on-call, self-employment, and child support).

B. Annual Income includes, but is not limited to:

1. The full amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, other compensation for personal services.
2. The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in

Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as defined in Paragraph B. 2. of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD. Net Family Assets include: a) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD home ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. b) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income. c) The value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph C. 3. of this section).

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as

provided in paragraph C. 3. of this section).

6. Welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus b) The maximum amount the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is notably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph B. 6. b. shall be the amount resulting from one application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions and gifts received from organizations or from persons not residing in the dwelling.

8. All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph C. 7. of this section).

C. Annual Income does not include the following:

1. Income from employment of children (including foster children) under 18 years of age.

2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone).

3. Lump-sum additions to family assets, such as inheritances, insurance payments, (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses (except as provided in paragraph B. 5. of this section).

4. Amounts received by the family that are specifically for or in reimbursement of, the cost of medical expenses for any family member.

5. Income of a live-in aide, as defined in this plan.

6. The full amount of student financial assistance paid directly to the student or to the educational institution.

7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

8. Amounts received under training programs funded by HUD.

9. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency (PASS);

10. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

11. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the EDA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time.

12. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.

13. Temporary, nonrecurring or sporadic income (including gifts).

14. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi Era.

15. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of the household and spouse).

16. Adoption assistance payments in excess of \$480 per adopted child.

17. Deferred periodic amounts of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

18. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

19. Amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep a developmentally disabled family member at home.

20. Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

A notice will be published in the FEDERAL REGISTER and distributed to housing authorities identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. Federally mandated exclusions currently include: a) Value of allotment provided to an eligible household under the Food Stamp Act of 1977. b) Payments to volunteers under the Domestic Volunteer Services Act of 1973. c) Payments received under the Alaska Native Claim Settlement Act. d) Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes. e) Payments or allowances made under the Department of Health and Human Services Low Income Home Energy Assistance Program. f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (JTPA). g) Income derived from the disposition of funds of the Grand River Band of Ottawa Indians. h) The first \$2,000 of per capital shares received from judgement funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian Tribe by the Secretary of the Interior. i) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal Work-Study Program or under the Bureau of Indian Affairs Student Assistance. j) Payments received from programs funded under Title V of the Older Americans Act of 1965. k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.). l) Payments received under the Maine Indian Claims Settlement Act of 1980. m) The value of any childcare provided or arranged (or any amounts received as payment for such care or reimbursement for costs incurred for such care) under the Childcare and Development Block Grant Act of 1990. n). Earned Income Tax Credit Refunds received on or after January 1, 1991.

## **Misrepresentation**

Any material misrepresentation or omission on the part of the family revealed through the verification process or otherwise, may result in a determination of ineligibility for an applicant and termination of assistance for a participant as well as possible prosecution. Further, if the family's misrepresentation or omission caused the EDA to pay a higher housing assistance payment and/or the family to pay less tenant rent, the EDA will re-determine the correct amounts retroactively and the family will be charged accordingly.



# **Determining Rents and Voucher Size**

## **Rent Determinations**

The EDA determines the amount of rent payable by the family according to all HUD regulations. The following definitions are used in the rent calculation process.

Adjusted Income: Adjusted income means annual income less the following deductions, determined in accordance with HUD instructions:

1. \$480 for each "dependent,"
2. \$400 for an "elderly family" or "disabled family",
3. For any family that is not an elderly family or disabled family but has a member (other than the head of household or spouse) who is a person with a disability, "disability assistance expenses" in excess of three percent of annual income, but this allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities;
4. For any elderly family or disabled family: a) that has no disability assistance expenses, an allowance for "medical expenses" equal to the amount by which the medical expenses exceed three percent of annual income, b) that has disability assistance expenses greater than or equal to three percent of annual income, an allowance for disability assistance expenses computed in accordance with paragraph 3. of this section, plus an allowance for medical expenses that is equal to the family's medical expenses; d) that has disability assistance expenses that are less than three percent of annual income, an allowance for combined disability assistance expenses and medical expenses that is equal to the amount by which the sum of these expenses exceeds three percent of annual income.
5. Childcare expenses

Annual Income: The anticipated total annual income of an eligible family from all sources for the 12 month period following the date of determination of income.

Childcare Expenses: Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period of which annual income is computed, but only where such care is necessary to enable a family member actively seek employment, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for

childcare. In the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Contract Rent:** The total amount of rent payable to the owner, including the tenant payment and the housing assistance payment from the EDA.

**Dependent:** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a person with a disability, or is a full-time student.

**Disabled Family:** A family whose head, spouse or sole member is a person with disabilities; or two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

**Disability Assistance Expense:** Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Elderly Family:** A family whose head, spouse or sole member is a person who is at least 62 years of age, or two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Fair Market Rent (FMR):** The rent, including the cost of utilities (except air conditioning, telephone and cable television), that would be required to be paid in the housing market area to obtain privately owned, existing, decent safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms), and are published in the Federal Register.

**Gross Rent:** The total monthly cost of housing an eligible family, which is the sum of the contract rent and any utility allowance. In the case of rental of only a manufactured home space, gross rent also includes the family's monthly payment to amortize the purchase price of the manufactured home.

**Head of Household:** That member, who is 18 years of age or older, that

the family designates as the principal tenant.

**Medical Expenses:** Those medical expenses, including medical insurance premiums that are anticipated during the period for which annual income is computed, and that are not covered by any insurance.

**Monthly Adjusted Income:** One twelfth of the annual adjusted income.

**Monthly Income:** One twelfth of the annual income.

**Payment Standard:** In the voucher program, an amount used by the housing authority to calculate the housing assistance payment for a family. Each payment standard amount is based on the fair market rent but may not be the same as the fair market rent. The housing authority adopts a payment standard for each bedroom size and for each fair market rent area in the housing authority jurisdiction. The payment standard for a family is the maximum monthly subsidy payment.

**Utility Allowance (UA):**

If the cost of utilities (except air conditioning, television cable, and telephone) and other housing services for an assisted unit is not included in the contract rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by the EDA/HRA of the monthly costs of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment

**Utility Reimbursement Payment (URP):** The amount, if any, by which any utility allowance for family paid utilities or other housing services exceeds the family's total tenant payment.

### **Determining Voucher Size**

The family unit size, as determined for a family under the housing authority subsidy standards, is used to determine the maximum rent subsidy for the family:

**Voucher Program:** The HA establishes payment standards by number of bedrooms. The payment standard for the family must be the lower of: The payment standard for the family unit size; or the payment standard for the unit rented by the family.

Family Unit Size: The appropriate number of bedrooms for a family. Family unit size is determined by the EDA under the EDA subsidy standards.

Subsidy Standards: The housing authority establishes subsidy standards that determine the number of bedrooms (family unit size) needed for families of different sizes and compositions. The family unit size is entered on the voucher.

### **Determining Family Unit Size**

The EDA uses the following criteria in determining family unit size:

The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.

The subsidy standards must be consistent with space requirements under the housing quality standards.

The subsidy standards must be applied consistently for all families of like size and composition.

A child who is temporarily away from home because of placement in foster care is considered a member of the family in determining the family unit size.

A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.

Any live-in aide (approved by the EDA to reside in the unit to care for a family member who is disabled or who is at least 50 years of age) must be counted in determining the family unit size.

Unless a live-in aide resides with the family, the family unit size for any family consisting of a single person must be either a zero or one-bedroom unit, as determined by the EDA.

Persons of different generations, persons of the opposite sex (other than spouses and people living in spousal relationships), and unrelated adults should have separate bedrooms.

Two children of the same sex should share a bedroom, regardless of age.

Two children of the opposite sex may share a bedroom until one of the children reaches age six.

Children should not share a bedroom with parents.

Foster children will be included in determining unit size.

Children who are subject to a joint custody agreement but live with one parent at least 219 days in a calendar year will be included in determining unit size.

A child who is away at school but who lives with the family during school recesses will be included in determining unit size.

Exceptions to these occupancy standards will be considered on a case by case basis by the EDA. A request for an exception must be submitted in writing and accompanied by documentation from a recognized medical professional.

## **Briefings and Voucher Issuance**

### **Briefing Sessions**

All families are required to attend a briefing session upon initial acceptance into the program. Each family receives a briefing packet which contains required program information and the documents necessary to be completed for lease and unit approval. The EDA explains how the program works, family and owner responsibilities and EDA policies affecting continued eligibility. Families that are searching for rental units are referred to a list of rental units in the housing authority jurisdiction. The housing authority will provide additional assistance, when needed, to help program participants locate suitable housing. The EDA will encourage tenants to locate units outside of areas of minority and of high poverty concentration.

### **Encouraging Owner Participation**

The EDA encourages participation by owners of suitable units located outside areas of low income or minority concentration. The EDA continues to make personal contact in the form of formal and informal discussions or meetings with private property owners, property managers

and real estate agencies. Program requirements are explained and printed material is available to acquaint landlords with the opportunities available under the program.

### **Owner Responsibility to Screen Applicants**

The EDA does not screen applicants or participants regarding the family's expected behavior, or the family's suitability for tenancy. This is the owner's responsibility.

The EDA is required to provide the following information to the landlord: The family's current address (as shown on the EDA records); and the name and address (if known to the EDA) of the landlord at the family's current and prior address. The EDA may, with written consent to release from the family, release to the landlord other information in the EDA's possession about the family, including information about the tenancy history of family members, or about drug-trafficking by family members. This information and consent to release information are provided in the briefing packet (on the reverse side of the Request for Tenancy Approval form).

### **Illegal Discrimination**

If at any time a family claims that illegal discrimination because of race, color, religion, sex, national origin, age, familial status, or disability prevents the family from finding or leasing a suitable unit with assistance under the program, the EDA will assist the family on how to fill out and file a housing discrimination complaint. The housing discrimination complaint form and informational brochure is included in all briefing packets.

### **Issuance of Voucher**

The voucher is the family's authorization to look for housing and is issued at the briefing session. The voucher is a document between the EDA and family which outlines the family's obligations under the program. The initial term of the voucher will be 60 days from issuance as stated on the voucher.

### **Voucher Suspension of Term**

Definition: Stopping the clock on the term of a family's voucher, for such period as determined by the EDA, from the time when the family submits a request for EDA approval to lease a unit, until the time when the EDA approves or denies the request.

The EDA will not provide for suspension of the initial or any extended term of the voucher.

### **Voucher Extension of Term**

Definition: At its discretion the EDA may grant one or more extensions of the initial term of the voucher. The initial term (60 calendar days) plus any extensions may not exceed a total period of 120 calendar days from the beginning of the initial term.

A family may request an extension of the voucher term. All requests for extensions must be received in writing prior to the expiration date on the voucher, and may be granted at the sole discretion of the EDA.

Extensions are granted primarily for the following reasons:

1. Extenuating circumstances such as hospitalization or family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 60-day period. Verification is required.
2. The family has evidenced that they have made a consistent effort to locate a unit throughout the initial 60-day period. Documentation is required.
3. The family has turned in a Request for Tenancy Approval prior to the expiration date, but the unit was not approved by the EDA. At its discretion, the EDA extends vouchers in 30 day increments.

The EDA will notify the family of any extension granted by providing the family a revised copy of the voucher with the new expiration date inserted. The EDA will notify the family in writing if the extension request has been denied.

## **LEASE APPROVAL**

### **Request for Tenancy Approval**

When the family finds a unit, and the owner is willing to lease the unit under the program, they may request the EDA approval to lease the unit.

The family must submit to the EDA a fully executed Request for Tenancy Approval. Documents that are incomplete will be returned to the family and not processed by the EDA until resubmitted and complete. Requests for lease approval must be submitted during the term of the voucher.

### **Program Requirements**

The EDA may not give approval for the family to lease a dwelling unit, or execute a HAP contract, until the EDA has determined that all the following meet program requirements:

1. The unit is eligible.
2. The unit has been inspected by the EDA and passes the Housing Quality Standards.
3. The lease includes the lease addendum.
4. The rent to the owner is reasonable; and
5. For the Housing Choice Voucher Program a new move-in cannot pay more than 40% of their income for their rent.

### **Eligible Unit**

An eligible unit must be located in the jurisdiction of the EDA, which is Blue Earth County. An eligible unit may also be located outside of the EDA's jurisdiction if the family qualifies for portability. The EDA encourages families to locate units in areas of low poverty concentration. Maps showing these areas are provided in the briefing packets. In the City of Mankato, rental units must be licensed as required by local law.

### **Portability**

Voucher holders are eligible to locate suitable housing outside of the EDA's jurisdiction if funding is available. A voucher that is issued through the EDA may be used anywhere in the United States where a HCV voucher program is in operation. If funding is not available, a family may still be able to port to an area where the payment standard is equal to or less than the Mankato/Blue Earth County EDA payment standard. The family must meet the following eligibility criteria before they can "port" to another jurisdiction:

1. The family is a current participant and can legally terminate their present lease; or the applicant family had a domicile in the EDA's jurisdiction at the time the family first applied for assistance.
2. If the applicant family did not have a domicile in the EDA's jurisdiction at the time the family first applied for assistance, they have



had an assisted lease in the EDA's jurisdiction for at least twelve months.

3. If both the initial EDA and the receiving housing authority agree, the family may lease a unit outside of the EDA's jurisdiction.

The family must notify the EDA if they are considering portability. All referrals to another housing authority must be originated by the EDA.

### **Housing Quality Standards (HQS)**

Units assisted under the program must comply with the HQS, both at initial occupancy and during the term of the assisted lease. The EDA has available and includes in each briefing packet a booklet "A Good Place to Live" which summarizes the HQS. The EDA will schedule an inspection within 15 days upon receipt of the Request for Tenancy Approval, and will promptly notify in writing, both the landlord and family the results of the inspection. If the unit fails the HQS inspection, the owner and/or family must notify the EDA when the repairs are completed and a re-inspection scheduled. If the owner chooses to not meet the HQS, the family may resume their search for a suitable unit, if there is time remaining on their voucher. The unit must pass the HQS inspection before a Housing Assistance Payments Contract can be executed and assistance can begin.

### **Reasonable Rent**

Defined: A rent to owner that is not more than either: (1) Rent charged for comparable units in the private unassisted market; or (2) Rent charged by the owner for a comparable assisted or unassisted unit in the building or premises. The EDA on case-by-case basis certifies and documents that the approved rent is reasonable. Rent reasonable determinations are made initially and when an owner requests a rent increase.

### **Approval of Lease and Lease Addendum**

The assisted lease, including any new lease or revision, between the family and the owner must be approved by the EDA. Before approving the lease or any revision, the EDA must determine that the lease meets HUD requirements. The lease must include word-for-word all provisions of the lease addendum. The lease addendum will be attached to any other lease provided for use by the owner and family. If there is any conflict between the lease addendum and any other provisions of the

lease, the provisions required by HUD shall control.

The tenant must have legal capacity to enter into a lease under State or local law.

### **EDA Disapproval of Owners**

The EDA must not approve a unit if the EDA has been informed, by HUD or otherwise, that the owner is debarred, suspended or subject to a limited denial of participation. When directed by HUD, the EDA must not approve a unit if: (1) The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending; or, (2) A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

In its administrative discretion, the EDA may deny approval to lease a unit from an owner for any of the following reasons:

1. The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act.
2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
3. The owner has engaged in drug trafficking.
4. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
5. The owner has a history or practice of renting units that fail to meet State or local housing codes.
6. The owner has not paid state or local real estate taxes, fines or assessments.

For the purpose of this section, owner, includes a principal or other interested party.

### **EDA Disapproval of Units**

The landlord and family will be promptly notified as soon as the EDA identifies that any of the above criteria warrant a disapproval of the unit.

The owner and family will be given a reasonable time to resolve the issue. If resolution is not possible the family may resume their search for a suitable unit if there is time remaining on the term of their voucher.

## **Special Housing**

The EDA will not approve Housing Payment Contracts for congregate housing, group homes, shared housing, or cooperatives unless this type of housing is required to reasonably accommodate a disability.

## **Approval and Execution of Housing Payments Contracts**

The EDA will notify the family that the documents are ready for signature. It will be the family's responsibility to obtain all signatures and return the executed documents to the EDA before any housing assistance payments can be made and in a time frame established by the EDA. The HAP Contract must be executed within 60 calendar days of the lease term.

## **Annual Activities**

At least annually the EDA is required to re-determine if each participating family is eligible to continue receiving assistance and to recalculate the tenant payment and housing assistance payment. The EDA must also re-inspect the unit to assure continued compliance with the Housing Quality Standards. The landlord may also request changes to the lease at this time. The EDA coordinates all these activities to be completed by the annual anniversary date of the initial effective date of the lease.

## **Recertification**

Approximately 90-120 days in advance of the scheduled annual recertification effective date, the family will be notified by mail that they are required to call to schedule a re-certification interview. Failure to attend the scheduled interview or reschedule the interview will be considered a violation of family obligations. The family will receive a recertification form that they must complete and bring to the recertification interview, along with any other documents requested by the EDA. The family will be required to provide complete information regarding income, assets, family composition and deductions anticipated for the next 12-month period. All determinations and verifications will be completed by the process described in the section of this plan called Determining Eligibility for Participation. Income limits will not be used

as a test for continued eligibility at recertification. When a family moves to another dwelling unit, with continued assistance, an annual recertification will be completed. Families determined ineligible for continued participation will be notified in writing, stating the basis of determination and, if applicable, notified of their right to an informal hearing. Families whose rental assistance is determined to be \$0, may remain on the program for an additional 6 months from the date of the last assistance payment, providing the recertification process is completed and the family remains under the Housing Assistance Payments contract.

### **Families Staying in Same Unit with Continued Assistance**

If the family is determined eligible for continued assistance and has indicated to the EDA that they intend to remain in the same rental unit, the family will be given a request for lease approval form to be completed by the family and the landlord indicating any changes requested by either party to the current lease. The completed Request for Lease Approval must be returned to the EDA 60 days before the anniversary of the lease. Upon receipt of the Request for Lease Approval, the EDA will determine if the rent requested by the landlord is reasonable. The family and landlord will be notified if the proposed rent can not be approved. The EDA will assist the family in negotiating an approvable rent.

The EDA will contact the family by phone or mail to schedule the annual HQS inspection. The EDA must be allowed to inspect the unit at reasonable times with reasonable notice. If the family misses the inspection appointment and does not arrange for a representative or the landlord to be there, one additional attempt to inspect the unit will be made by the EDA. If the family misses two inspection appointments or fails to arrange the inspection after two attempts by the EDA, the EDA will consider the family to have violated a family obligation and their assistance will be terminated. The EDA recertification schedule allows that if all prior activities are completed in a timely manner that the inspection should be completed approximately 30-60 days prior to the recertification effective date. If there are any HQS violations the family and landlord will be notified in writing, stating the violations and notifying them that the fail items must be corrected and the unit re-inspected prior to the recertification effective date, or the EDA will abate the housing assistance payment to the landlord. The abatement shall continue until all items which caused the unit to fail have been corrected, re-inspected and approved by the EDA. The abatement will end on the first business day following EDA approval of the unit. If the

fail items are not corrected within a reasonable time, preferably 30 days or less, the EDA will notify the family and the landlord that the Housing Assistance Payment Contract will be terminated. While the termination notice is running, the abatement will continue in effect. The family will be offered a new voucher to move to another dwelling unit.

The family and landlord are notified of the changes in tenant rent and housing assistance payments, which go into effect on the scheduled effective date, even if the other annual activities are not complete.

### **Families Who Move to another Dwelling Unit with Continued Assistance**

A family is determined to be eligible for continued assistance, meaning they can move to another unit, if they have not violated the family obligations, (including giving a proper written notice to vacate, have paid their rent, have paid their utilities, and have not left damages beyond normal wear and tear) and do not owe this housing authority or any other housing authority money. Once the family has indicated to the EDA that they intend to move to another unit, or the owner indicates that the lease will be terminated, the following activities must be completed:

1. The EDA must be provided with a copy of the legal written notice to vacate from the tenant to the landlord or from the landlord to tenant.
2. The EDA will schedule an appointment with the family to issue a new voucher and the applicable briefing materials necessary to obtain rental assistance in a new unit.
3. Once the family locates a new unit, the process of lease approval as described in this plan will be followed.

## **Interim Activities**

### **Interim Recertification**

Once a participant family's rent is determined at initial certification or the scheduled annual recertification, it will remain in effect until the next annual recertification effective date unless there is a change in the family's income, assets, family composition, or medical/daycare deductions. **Any change in income, assets, family composition, or deductions must be reported to the EDA within ten days of the change.**

Failure to report required changes is a violation of the family obligations and cause for termination of assistance. Households claiming no income resources will be required to sign a statement certifying that they are receiving no income. This certification will be signed initially and at least every 30 days thereafter or as often as requested by the EDA until such time as the household reports an income source, at which time an interim recertification will be completed. All determinations and verifications will be completed by the process described in the section of this plan "Determining Eligibility for Participation," except that only the changes need to be verified. The family and owner will be notified in writing of the interim recertification results and the effective date of change. Decreases in the tenant rent are effective the first of the month following the month the change was verified. Increases in tenant rent are effective the first of the month after reasonable written notice has been given. All changes must be reported and verified at least 15 business days before the end of the month for a rent adjustment to occur on the first of the following month.

If the family failed to report a required change, the EDA will require repayment of excess assistance received. The EDA may prosecute if it is believed the failure to report changes are fraudulent behavior.

### **Family Break Up**

The EDA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. When the family is divided and becomes more than one household, the family should determine who will retain the voucher. Where an agreement cannot be reached, the EDA will determine which party retains the rental assistance. The following factors will be considered in making the determination: 1. The interest of minor children, elderly or disabled family members. 2. To whom the voucher was originally issued, if not jointly. 3. The family members, if any, who will remain in the currently assisted unit. 4. Whether family members are forced to leave as a result of actual or threatened physical violence by a spouse or other members of the household. Documentation to substantiate these factors will be required and be the responsibility of the requesting parties.

If a court determines the disposition of property between members of the assisted family in a divorce or separation under a settlement or judicial decree, the EDA is bound by the court's determination of which family members continue to receive assistance in the program.

## **Absence from Unit**

The family may be absent from the unit for brief periods. For longer absences, the EDA establishes policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason. The EDA may allow absence for a lesser period. Absence means that no member of the family is residing in the unit. The EDA will allow absences from the assisted unit for up to 180 consecutive calendar days in the following types of circumstances: hospitalization, treatment for mental health or chemical dependency, or nursing home recuperation.

The family must promptly notify the EDA of absence from the unit, including any information requested on the purposes of family absence. The notice must be delivered in writing to the EDA within ten calendar days of the determination that an absence will exist. The notice must state the reason for the absence and, when possible, a third party verification stating the anticipated duration of the absence (i.e. Doctor's explanation, etc.). Failure to report an absence, as stated above, is a violation of the family obligations and cause for termination of assistance.

## **Addition of Adult Members**

Families who wish to add another adult to the lease must inform both the EDA and the landlord in advance. The family will be required to obtain the landlord's permission to add an adult to the lease. The landlord may deny permission of an additional adult, based on the landlord's usual screening procedures.

The EDA may also deny permission of the additional adult, based on the processes described in the sections of this plan Determining Eligibility for Participation and Grounds for Denial or Termination of Assistance.

All income of the additional adult must be verified and added to the family's gross income, and the family's rental assistance re-determined. The lease addendum will be used to add an additional adult to the lease.

## **Housing Quality Standards Compliance**

Although the EDA inspects each unit assisted under the program at least annually, the EDA will inspect a unit at anytime, upon reasonable notice to the tenant, if HQS violations are reported to the EDA. The EDA has established the following procedure for these inspections: For HQS violations that are an emergency and endanger the family's health and safety, the EDA will make an attempt to inspect the unit immediately upon receipt of the complaint. Emergency violations include, but are not limited to: major plumbing leaks or flooding; no heat (if outside temperature is below 50 degrees); utilities shut off, gas leaks or fumes; electrical situations which could cause shock or fire. The owner will be given 24 hours to correct the problem. The EDA may give a short extension, not to exceed 48 additional hours, where the owner can not be notified or it is impossible to repair within the 24-hour period.

For HQS violations that are less serious in nature, the EDA may require the complaining party to put the complaint in writing to the other party. The complaint should state the problem and give a reasonable time to make the correction. A copy of the complaint should be forwarded to the EDA. If after written notice and reasonable time the problem has not been resolved, the EDA should be notified and an inspection will be scheduled. The family and owner will be notified of the specific violations and given a reasonable time (up to 30 days) to correct the situation. The EDA will not make any housing assistance payments for a dwelling unit that fails to meet HQS, unless the defect is corrected within the period specified by the EDA and the EDA verifies the correction. If the HQS violations are the responsibility of the family and are not corrected within the period specified by the EDA, the family is in noncompliance with the family obligations and the EDA will have cause to terminate assistance.

If the HQS violations are the responsibility of the owner and are not corrected within the period specified by the EDA, the EDA will terminate the Housing Assistance Payment contract. The family will be offered a new voucher to move to another dwelling unit. While any termination notice is running, the abatement of housing assistance payments will continue in effect.



# **MOVES**

## **Families Required to Move**

Families may be required to move if the unit is overcrowded. An overcrowded unit is in violation of the HQS space standards. The EDA must issue the family a new voucher. The family must try to locate an acceptable unit as soon as possible. When an acceptable unit is available for the family, the EDA must give proper notice to terminate the HAP Contract. A family who refuses to move can be terminated from the program. When an acceptable unit is available for the family, the EDA must give proper notice to terminate the HAP Contract. A family who refuses to move can be terminated from the program.

The HAP Contract is terminated because the owner failed to comply with HQS or other requirements of the contract.

The owner terminates the lease for cause, which includes: serious or repeated violation of the terms and conditions of the lease; criminal activity; or other good cause.

The owner terminates the lease with or without cause at the end of the initial term of the lease, or at the end of any successive definite term.

## **Families Who Chose to Move**

Families who choose to move from their current unit for any other reason are required to do so in accordance with their lease.

If the family terminates the lease on notice to the owner, the family must provide the EDA with a copy of the notice at the same time.

At anytime, the family and owner may enter into a written mutual rescission of the lease. A copy of the agreement must be given to the EDA.

## **Continued Assistance**

Families with a voucher may continue receiving rental assistance under the program in another rental unit if the assisted lease for the old unit has terminated. This includes a termination because:

1. The EDA has terminated the HAP contract for the owner's breach.

2. The lease has terminated by mutual agreement of the owner and the tenant.
3. The tenant has given notice of lease termination (if the tenant has a right to terminate the lease on notice to the owner, for owner breach or otherwise).

Once the EDA receives written notice of the lease termination and move, the EDA will notify the family to contact the EDA to schedule a recertification appointment. Families who move with continued assistance will be determined eligible in accordance with the section of this plan Annual Activities, subsection Recertification and Families Who Move to Another Dwelling Unit with Continued Assistance. A family may move one or more times with continued assistance under the program, either inside the EDA jurisdiction, or under the portability procedures. The EDA may deny the family continued participation in accordance with the section of this plan Denial or Termination of Assistance, or the EDA has insufficient funding under the Consolidated ACC with HUD.

## **Grounds for Denial or Termination of Assistance**

The EDA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, due to the family's action or failure to act. The provisions of this section do not affect denial or termination of assistance for grounds other than action or failure to act by the family. This section does not limit or affect exercise of the EDA rights and remedies against the owner under the HAP contract, including termination, suspension or reduction of housing assistance payments, or termination of the HAP contract.

Denial of assistance for an applicant may include any or all of the following: denying listing on the EDA waiting list, denying or withdrawing a voucher, refusing to enter into a HAP contract or approve a lease, and refusing to process or provide assistance under portability procedures.

Termination of assistance for a participant may include any or all of the following: refusing to enter into a HAP contract or approve a lease, terminating housing assistance payments under an outstanding HAP contract, and refusing to process or provide assistance under portability procedures.

The violation of any family obligation under the program as stated on the voucher or statement of family responsibility is grounds for denial or

termination of assistance. If the EDA or any housing authority terminates assistance for a violation of family obligation under the voucher program, or terminates a public housing lease agreement, **the EDA will further deny listing the family on the HCV waiting list for three years from in the date of termination.**

### **Obligations of the Family**

#### A. The family must:

1. Supply any information that the EDA or HUD determines to be necessary including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
2. Disclose and verify social security numbers and sign and submit consent forms for obtaining information.
3. Supply any information requested by the EDA to verify that the family is living in the unit or information related to family absence from the unit.
4. Promptly notify the EDA in writing when the family is away from the unit for an extended period of time in accordance with EDA policies.
5. Allow the EDA to inspect the unit at reasonable times and after reasonable notice.
6. Notify the EDA and the owner in writing before moving out of the unit or terminating the lease.
7. Use the assisted unit for residence by the family. The unit must be the family's only residence.
8. Promptly notify the EDA in writing of the birth, adoption, or court-awarded custody of a child.
9. Request EDA written approval to add any other family member as an occupant of the unit.
10. Promptly notify the EDA in writing if any family member no longer lives in the unit.
11. Give the EDA a copy of any owner eviction notice.
12. Pay utility bills and supply appliances that the owner is not required to supply under the lease.

#### B. Any information the family supplies must be true and complete.

#### C. The family (including each family member) must not:

1. Own or have any interest in the unit (other than in a cooperative, or the owner of a manufactured home leasing a manufactured home space).
2. Commit any serious or repeated violation of the lease.

3. Commit fraud, bribery or any other corrupt or criminal act in connection with the program.
4. Participate in illegal drug or violent criminal activity.
5. Sublease or let the unit or assign the lease or transfer the unit.
6. Receive Section 8 tenant-based program housing assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
7. Damage the unit or premises (other than damage from ordinary wear and tear) or permit any guest to damage the unit or premises.
8. Receive Section 8 tenant-based program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the housing authority has determined (and notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationships, would provide reasonable accommodation for a family member who is a person with disabilities.
9. Engage in illegal use of a controlled substance; or abuse of alcohol that threatens the health and safety or right to peaceful enjoyment of the premises by other residents.

The housing authority will deny assistance if any member of the family has ever been evicted from public housing.

If a housing authority has ever terminated assistance under the certificate or voucher program for any member of the family.

If any member of the family commits drug-related criminal activity, or violent criminal activity, the EDA will deny or terminate assistance if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted. Drug-related criminal activity means: (1) Drug trafficking; or (2) Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U. S.C. 802)). Drug trafficking is the illegal manufacture, sale or distribution, or the possession with intent to manufacture, sell or distribute, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)). Violent criminal activity is any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another. If the EDA seeks to deny or terminate assistance because of illegal use, or possession for personal use of a controlled substance, such use or possession must have

occurred within three years before the date that the EDA determines to deny or terminate assistance. The EDA may not deny or terminate assistance for such use or possession by a family member, if the family member can demonstrate that he or she: (1) Has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such impairment; and (2) Is recovering, or has recovered from, such addiction and does not currently use or possess controlled substances. The EDA will require a family member who has engaged in the illegal use of drugs to submit evidence of participation in, or successful completion of a treatment program and to be clean and sober for a period of six months as a condition to being allowed to reside in the unit.

If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

If the family currently owes rent or other amounts to the EDA or to another housing authority in connection with voucher or public housing assistance.

The EDA will deny placement on the waiting list to any family that includes a member who owes the EDA or any other housing authority any amounts in connection with voucher or public housing assistance until such time as the amount owed is paid in full.

A Voucher Program participant who owes the EDA an amount may, at the discretion of the EDA, be offered a repayment agreement. Failure to enter into a repayment agreement with the EDA will result in the termination of assistance.

A voucher participant who intends to move with continued assistance must be current in the payments of any outstanding repayment agreement. If the family is in default of the repayment agreement or in the absence of a repayment agreement the balance owing must be paid in full before the EDA will certify the family eligible for continued assistance and/or enter into a new HAP contract.

Assistance will be terminated if the family breaches an agreement with the EDA to pay amounts owed to the EDA, or amounts paid to an owner by the EDA.

Assistance will be terminated if the family has engaged in or threatened

abusive or violent behavior toward EDA personnel.

### **EDA Discretion to Consider Circumstances**

In deciding whether to terminate assistance because of action or failure to act by members of the family, the EDA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The EDA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. The EDA may permit the other members of a participating family to continue receiving assistance.

### **Requirement to Sign Consent Forms**

The EDA must deny or terminate assistance if any member of the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR part 5.

### **Restrictions on Assistance to Non-citizens**

The family must submit required evidence of citizenship or eligible immigration status. 24 CFR part 5 describes circumstances in which the HRA must deny or terminate assistance because a family member does not establish citizenship or eligible immigration status, and the applicable informal hearing procedures. This regulation also describes provisions on assistance for mixed families instead of denial or termination of assistance, and for provisions on denial or termination of assistance.

## **Informal Review and Informal Hearing Processes**

### **Informal Review Procedures for Applicants**

The EDA must give an applicant an opportunity for an informal review of the EDA decision denying assistance to the applicant. This includes Voucher holders who do not have an effective Lease and Contract under the Voucher Program.

The EDA is not required to provide the applicant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the EDA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the EDA subsidy standards.
4. An EDA determination not to approve an extension or suspension of a voucher term.
5. An EDA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
6. An EDA determination that a unit selected by the applicant is not in compliance with HQS.
7. An EDA determination that the unit is not in accordance with HQS because of the family size or composition.

The EDA will give the applicant a written notice of the determination within ten days, which will describe:

1. The reasons for the decision.
2. The procedures to request a review if the applicant does not agree with the determination; and
3. The time frame for requesting a review.

**A Request for an Informal Review must be made in writing within ten calendar days of the date of the written notification of denial of assistance.**

The Informal Review will be conducted by a Hearing Officer, a person appointed by the EDA, who is neither the person nor a subordinate of the person who made or approved the decision under review. The Hearing Officer will regulate the conduct of the hearing.

The applicant will be given the opportunity to present oral or written objections to the EDA decision.

The family has a right to legal counsel at their own expense. Both the EDA and the family must have the opportunity to present evidence and/or witnesses.

A notice of the review findings shall be provided in writing to the applicant and shall include a brief statement of the reasons for the final decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the applicant's file.

### **Informal Hearing Procedures for Participants**

An informal hearing procedure is for participants. A participant is a family that has been admitted to the EDA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the EDA for the family.

The EDA must give a participant family an opportunity for an informal hearing to consider whether the following EDA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and EDA policies:

1. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the EDA utility allowance schedule.
3. A determination of the family unit size under the EDA subsidy standards.
4. A determination to terminate assistance for a participant family because of the family's action or failure to act
5. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under EDA policy and HUD rules.

The EDA is not required to provide a participant family an opportunity for an informal hearing for any of the following:

1. Discretionary administrative determinations by the EDA.
2. General policy issues or class grievances.
3. An EDA determination not to approve an extension or suspension of a voucher term.
4. An EDA determination not to approve a unit or lease.
5. An EDA determination that an assisted unit is not in compliance with HQS. (However, the EDA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.)
6. An EDA determination that the unit is not in accordance with HQS because of the family size.
7. A determination by the EDA to exercise or not to exercise any rights or remedy against the owner under a HAP contract.



In the cases described above, the EDA must notify the family prompt written notice that the family may request an informal hearing. The notice must contain a brief statement of reasons for the decision, state that if the family does not agree with the decision, the family may request an informal hearing on the decision, and state the deadline for the family to request an informal hearing.

**All requests for Informal Hearings must be made in writing within 10 calendar days from the date of the notification letter.** The EDA will proceed with the informal hearing in a reasonably expeditious manner upon the written request of the family.

The Informal Hearing will be conducted by a Hearing Officer, a person appointed by the EDA, who is neither the person nor a subordinate of the person who made or approved the decision under review. The Hearing Officer will regulate the conduct of the hearing.

At its own expense, a lawyer or other representative may represent the family.

The family must be given the opportunity to examine, before the informal hearing, any EDA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at the family's expense. If the EDA does not make the document available for examination on request of the family, the EDA may not rely on the document at the hearing.

The EDA must be given the opportunity to examine at the EDA offices, before the informal hearing, any family documents that are directly relevant to the hearing. The EDA must be allowed to copy any such document at the EDA's expense. If the family does not make the document available for examination on request of the EDA, the family may not rely on the document at the hearing. The term "documents" includes records and regulations.

The EDA and the family must be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The Hearing Officer must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the

individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family. All requests for an informal hearing, supporting documentation, and a copy of the hearing officer's decision will be retained in the participant's file.

The EDA is not bound by a hearing decision concerning a matter for which the EDA is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the informal hearing under the EDA hearing procedures or contrary to HUD regulations or requirements, or otherwise contrary to federal, state or local law.

If the EDA determines that it is not bound by a hearing decision, the EDA must promptly notify the family of the determination, and of the reasons for the determination.

## **Program Administration**

### **Payment Standards for the Voucher Program**

The initial payment standard was set by the EDA as the Fair Market Rent in effect at the time the Annual Contributions Contract for the first increment of Housing Voucher subsidy was approved by HUD. The payment standard, by unit size, will be adjusted to between 90% and 110% of the current Fair Market Rent annually, as market and rent reasonableness dictates.

Affordability adjustments are made to provide additional housing assistance payments to families to keep rents affordable. The EDA will review the payment standards annually to determine whether an affordability adjustment should be made. The EDA will use the following criteria in the review:

1. Excessive rent burdens. The EDA will review information regarding the average rent burden by bedroom size to determine whether the average rent burden is more than 45% of income. If possible, the EDA will review the local vacancy rate by bedroom size to determine whether there is an ample supply of vacant units available below the payment standard when making the determination to increase the payment standard.
2. Determine which bedroom sizes to analyze. If the average rent burden is more than 45% of income or there is not an ample

supply of vacant units available below the payment standard, those bedroom sizes will be analyzed.

3. **Influence of Market Factors.** The EDA will analyze the families that are paying more than 45% of income for rent in 5% increments, noting the gross rent they are actually paying. The EDA will review the quality and size of the units selected by the participant families where the rent to owner is above the payment standard by more than 25%. If more than 50% of these families have selected above average units and/or have selected units larger than listed on their voucher, the EDA may elect not to increase the payment standard nor continue the analysis. If the EDA continues the analysis for any or all bedroom sizes, the EDA will consider other factors such as rent reasonableness, annual adjustment factors and will look at the average time period for finding eligible units.
4. **Financial Feasibility.** The EDA will review the budget, the project reserve and the impact the projected increased subsidy would have on the funding available for the program.

### **Administration Fee Reserves**

Administrative fee reserve is an account established by the EDA from excess administrative fee income. The EDA must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for any EDA fiscal year. If funds in the administrative fee reserve are not needed to cover EDA administrative expenses, the EDA may use these funds for other housing purposes permitted by State and local law.

The EDA Board of Commissioners will approve all expenditures from the Administrative Fee Reserve account for other housing purposes. Approval by the Board will include an affirmative determination that the expenditures are necessary and reasonable for other housing purposes consistent with the EDA's authority under state and local law.

### **Employee Code of Conduct**

Employees of the Mankato and Blue Earth County EDAs are governed by the personnel policies of the City of Mankato. It is the policy of the City to observe the highest standards of ethics, honesty, and integrity. Employees are required to uphold these standards. Employees should strive to conduct all business dealings and relationships with integrity,

honesty and respect for others. Always deal fairly and honestly with customers and others with whom we do business. The proper operation of city government requires that public employees be impartial. This requires that all government decisions be made through the proper channels. Consistent adherence to specific procedures and communication processes will strengthen citizen confidence in the integrity of their government.

## **Personal Conduct**

City employees are expected to maintain the highest level of personal conduct both on and off duty. Public employees are under constant public scrutiny and care should be taken to ensure that nothing is done to damage the public view of the City of Mankato. Violation of this code may result in discipline up to and including termination. Examples of inappropriate behavior include, but are not limited to:

Violations of city policy

- Theft of cash, City property, or equipment.
- Destroying, damaging or failing to safeguard City records, or use of such for personal business.
- Willful damage to public or private property.
- Insubordination (the refusal to perform a reasonable, safe, and proper work assignment). Insubordination shall include undermining and disrespectful behavior.
- Violent and/or assaultive behavior, or making, or carrying out threats against other employees, or the public.
- Unauthorized possession or use of weapons on City property.
- Disrespectful behavior towards other employees, including maligning of other employees.
- Using City equipment without authorization.
- Misusing of or failing to use designated authority in the performance of duties.

- Holding a private or other public position in addition to the person's primary public position which interferes, or may interfere with the proper discharge of the public duty.
- Use of disruptive or abusive language toward employees or the public.
- Operating or conducting systematic organized gambling on City time, or using City property. Social personal betting on personal time is not prohibited.
- Using, possessing, selling, transferring, or being under the influence of drugs or alcohol while working or performing job duties. No employee shall perform work functions within four (4) hours after using alcohol, or drugs.

Failure to notify supervisor of the use of prescription drugs that may impact the safety of the employee, other workers, or the public.

- Misuse of prescribed, or over the counter medications.
- Use of illegal drugs.
- Violating safety rules or practices.
- Engaging in personal business while on duty without authorization.
- Failure to report damage to City equipment or property of others.
- Sleeping on the job.
- Utilizing City data, or information systems for any reasons other than City business.
- Engaging in tricks, jokes, or horseplay that affect performance or safety issues.
- Making derogatory racial, ethnic, age or sexist remarks while on duty.
- Any criminal violation of state law.

## **Zero Tolerance for Violence**

Violent and/or assaultive behavior, or making or carrying out threats against other employees or the public are unacceptable in any form. Any employee engaged in such conduct shall be disciplined up to and including termination.

## **Conflict of Interest**

Employees must not have any personal interest that conflicts in any way with the interest of the City or its citizens.

No person shall knowingly engage in any conflict of interest, or knowingly engage in any business or transaction, or shall have a direct or indirect financial or personal interest which is incompatible with the proper discharge of the person's official duties or would tend to impair the person's independent judgement or action in the performance of his or her official duties. Personal, as distinguished from financial interest, includes an interest arising from blood or marriage relationships or close business association. For purposes of this section, "financial interest" shall mean a substantial financial interest through the ownership of stocks, bonds, notes or other securities.

A conflict of interest may include, but shall not be limited to, the following:

- Use of confidential information, obtained as a result of public position, for personal gain.
- Soliciting of personal gifts and favors.
- Use of official position for personal gain.
- Holding investments which will or may interfere with a the proper discharge of public duty.
- Participation as a public representative in a business transaction in which the person has a direct or indirect financial or other personal interest without full disclosure.
- Personal interest in legislation to the extent that private interest takes precedence over public interest and duty.

## **Gifts and Gratuities**

No City employee shall accept a gift, directly or indirectly, from any interested party.

A gift may be accepted if it:

- Is a contribution as defined by Minnesota Statute 211A.01.  
“Minnesota Statute 211A.01, Subd. 5, “Contribution” means anything of monetary value that is given or loaned to a candidate or committee for a political purpose.” Contribution does include a service provided without compensation by an individual.
- Serves to assist an employee in performance of official duties, including, but not limited to providing advice, consultation, information, and communication in connection with legislation and services to constituents.
- Is of insignificant monetary value.
- Is a plaque or similar memento recognizing individual services in a field of specialty or to a charitable cause.
- Is a trinket or memento of insignificant value.
- Is informational material of unexceptional value.
- Is food or beverage given at a reception, meal, or meeting away from the recipient’s place of work by an organization before whom the recipient appears to make a speech or answer questions as part of a program.
- Is because of the recipient’s membership in a group, a majority of whose members are not local officials and an equivalent gift is given to other members of the group.
- Is given by an interested person who is a member of the family of the recipient, unless the gift is given on behalf of someone who is not a member of that family.

## **Disciplinary Action**

It shall be left to the discretion of the City Manager and direct supervisors to determine the level of disciplinary action to institute when such action is necessary. Some causes may be grounds for immediate suspension or dismissal as determined by the City Manager.

The City may discipline an employee by taking any one or more of the following actions: oral warning, written reprimand, demotion, suspension, and termination. Oral warnings may be given by a supervisor, but they shall not be deemed discipline for purposes of grievance procedures. However, oral warnings shall be considered in determining whether or not cause existed for a subsequent disciplinary action. The City retains the sole discretion to determine in each circumstance which form of discipline is appropriate, including whether or not immediate termination of employment is appropriate.

## **Affirmatively Furthering Fair Housing**

The Mankato and Blue Earth County EDAs work hard to further fair housing education and principals. Each and every new Housing Choice Voucher recipient and public housing tenant receives information on fair housing law, both in writing and orally, and the instructions and forms needed to submit a complaint should the need arise. The EDA helps to host an educational fair housing seminar for area property owners as part of the landlord training every spring. Fair housing posters are displayed in the offices where clients are served.

The EDAs have been selected to participate in the State of Minnesota's Emerging Market Homeownership Initiative. Emerging Market populations (people of color, single heads of house, and disabled) are targeted for the homeownership programs provided by the EDAs.

The offices of the EDA are fully accessible to those with disabilities. The EDA uses the relay telephone system to communicate with the deaf who participate in the programs offered.

The EDA follows approved policies outlined in the Limited English Proficiency Plan to market and administer housing programs to those who speak English as a second language.



# **FAMILY SELF-SUFFICIENCY PROGRAM**

## **ACTION PLAN**

**Submitted by:**

**Mankato Housing and  
Economic Development Authority**

**May 2001**

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# **FAMILY SELF SUFFICIENCY ACTION PLAN**

## **1. INTRODUCTION**

The Mankato Economic Development Authority is working on the implementation of the Department of Housing and Urban Development's (HUD) Family Self-Sufficiency Program (FSS). The FSS Program combines housing assistance provided by HUD with other services such as education, counseling and daycare. The purpose of this comprehensive effort is to help participants reduce dependency on public assistance and reach individual goals.

The Action Plan which follows describes the expected participants, selection of participants, the services to be provided, case management and long term goals/plans. This plan will be updated as needed to reflect changes in services and the authority's administrative policies.

This plan was developed in consultation with the Steering Committee for Family Self-Sufficiency (Committee). The Committee is made up of social service and community business representatives and housing assistance recipients. The Committee's mission is to develop, implement, and revise as necessary an Action Plan to assist families in becoming self-sufficient. The Committee identifies existing social services and needs which are unserved or underserved in the community. The Committee will meet on an ongoing basis to coordinate and develop new programming.

## **2. ESTIMATE OF PARTICIPATING FAMILIES**

The Mankato EDA expects to serve 50 families in the FSS program at any given time. If more families are interested than can be accommodated, they will be placed on a waiting list for the next available space.

In May of 2001, FSS needs surveys were mailed to all Mankato and Blue Earth County HA public housing and Section 8 program participants to determine the interest in the program and the services required to achieve self-sufficiency.

Of the 132 surveys returned, 96 expressed a desire to participate in the program. Of these 96, 64 wanted to start as soon as possible, 10 in the next 6 months, 12 in the next year, 10 in the next 2 years.

Survey respondents reported that they have educational goals: 38 plan to obtain a four year degree, 23 a two year degree, 17 want a G.E.D., 16 want vocational/technical training, 13 want to start a home-based business, and 9 want to enter a job training or apprenticeship program.

Services needed to obtain self sufficiency are listed in order of most requested: Budgeting classes, transportation, childcare, personal goal setting, after school programs, study skills classes, time management, mentor/friendship programs, homemaking/cooking skills, job counseling, parenting classes, childcare for sick children, school readiness for pre-schoolers, and home visits.

### **3. PARTICIPANT SELECTION**

FSS participants will be selected from current housing participants. If there are more interested families than program space available, a lottery system will be used to establish a waiting list for the program. New housing program participants who wish to participate in FSS will be added to the end of the waiting list at the time they express an interest.

### **4. HOUSING CHOICE VOUCHER PORTABILITY**

#### **OUTGOING:**

A family participating in FSS must lease a unit in Mankato for at least 12 months after the effective date of the FSS contract. After that period, the family may move to another jurisdiction under voucher portability rules. However, if a family is subject to termination in the FSS program because of failure to meet a Contract obligation, a portability move may not be used to avoid the consequences (i.e., loss of escrow funds).

If a FSS family decides to move outside the jurisdiction, the housing authority may take one of the following actions:

1. Permit the family to remain in our FSS Program if the family can continue to meet its obligations while living in the new location; or
2. The receiving housing authority may allow the family to participate in its FSS Program; or
3. Terminate FSS participation if the family cannot fulfill its obligations in the new location and cannot participate in the receiving housing

authority's FSS Program. In this case, the family would forfeit the funds in the escrow account.

If a family is absorbed by the receiving housing authority (given one of their vouchers) then the escrow account will be transferred to the receiving housing authority.

### **INCOMING:**

A family transferring into this jurisdiction may join our FSS Program under the following guidelines:

1. If there is space available, the family will transfer their FSS here immediately.
2. If there is no space available, the family will be placed at the top of the waiting list so they may continue their Contract as soon as possible. If more than one transferring family is waiting, placement on the list will be based on the date of the request.

Upon entering the FSS Program, a new Contract will be executed. The effective date is the first day of the month following the date the Contract is signed. The expiration date of the Contract will be the same as the original expiration date of the first Contract with the initial housing authority. We will use the amounts listed for Annual Income, Earned Income, and Family Rent of Page 2 of the initial Contract.

If the family is absorbed, the initial housing authority must transfer the escrow funds to this housing authority.

If the transferring family remains in their initial FSS Program, the existing Contract remains in effect.

The housing authority which is party to the FSS Contract is responsible for monitoring the family's FSS status, regardless of the family's place of residence.

## **5. OUTREACH EFFORTS**

The housing authority will be very aggressive and user-friendly in marketing the FSS Program to housing program participants. Initial outreach will be through a mailing to all families. The basic concept will be explained in easy and positive language. A series of meetings will be held at various times

convenient for the families.

If the meetings do not generate enough interest, we will make personal contact with families through phone calls or at scheduled recertifications to provide the opportunity to answer additional questions and determine what concerns are holding families back from participation. The range of services in our program, as tied to all of the resources available in the local area, should provide something for everybody. Based on interviews and personal knowledge of the participants, staff should be able to find a way to help families understand how their needs may be met through the FSS Program.

We will also listen to and log families' comments in order to further shape the program to meet their needs. We see the support offered through FSS as a constantly evolving system based on changing needs and changing times. This may be especially important as existing systems change.

## **6. UNMET NEEDS**

Although several resources for childcare and transportation have been identified, there will be families whose needs are not met by these sources. It is anticipated that program funds will be secured to provide for needs such as daycare for sick children, odd hour or sporadic childcare, car repairs, public transportation, car purchase assistance, etc.

## **7. CASE MANAGEMENT**

Case management and service coordination for the FSS Program will be managed by the Blue Earth County Employment Services and the Minnesota Work Force Center. Both agencies have had extensive experience in providing case management, job placement services and a wide variety of services to low-income individuals and families. The Blue Earth County Employment Services will designate Service Coordinators who will provide direct case management for program participants. These Service Coordinators will specialize in the needs of participants who are unemployed and/or welfare recipients and the needs of the participants who are working poor. Designating a specialist will assure that the special schedules and needs of working participants will be accommodated by the work schedule of their Service Coordinator.

The goals of the case management will be to:

- a. Strengthen families and children;
- b. Encourage individual development and growth for each head-of-

- household;
- c. Provide financial assistance;
- d. Provide coordinated support services; and
- e. Provide follow-up services.

Case management by a Service Coordinator will include the following areas:

1. Development of an individual goal plan and contract.
2. Regular meetings and contacts with the participant.
3. Interpretation of the FSS Program, rules, regulations, etc.
4. Assessment of needs and appropriate referrals to community services.
5. On-going contact with providers to coordinate services.
6. Development of a working rapport and general supportive relationship.
7. Maintaining records and documents.
8. Follow-up.

### **1. Development of an Individual Goal Plan and Contract:**

The Service Coordinator will be responsible to work with each participant in creating a realistic goal plan that will lead the participant to education, employment and increased financial self-sufficiency. The plan will also include goals related to mental and physical health, parenting and family life, long-term housing needs, and in some cases, sobriety. The goal plan will be organized in a step-by-step approach that creates tasks which are manageable and attainable.

Some participants will have a well-established plan for obtaining these goals. However, some will need further assessment to establish reasonable goals. This may include assessment for learning or other disabilities. Assistance in goal setting may also be accomplished through cooperation with the Work Incentive Act, the Minnesota MFIP Program and other programs designed specifically for low-income persons.

Once the goal plan has been agreed upon, it will be put into a contract that the participant will use as a tool for action. It will also serve as a guideline for the FSS Program in assessing progress and eligibility for continued involvement.

The contract will be reviewed with the participant regularly to assure that the goals are realistic and achievable.

## **2. Regular Meeting and Contacts:**

When the Service Coordinator meets with each participant to create a goal plan, they will include a plan for regular meetings and contacts that both fulfill the needs of the FSS Program and those of the participant. This agreement will be written into their larger contract and will be based on the level of involvement and need as assessed by the Service Coordinator. These meetings may be held in person as well as on the phone. The meetings and conversations will focus on assessing progress toward their goal plan, obtaining referrals and general support and encouragement.

## **3. Interpretation of Family Self-Sufficiency Program Rules, Regulations, Etc.:**

The Service Coordinator will be responsible for fully understanding the requirements and expectations of the program. They will in turn educate each participant about the program, inform him/her of any changes and update information that relates to the program. They will cooperate with the local housing authority to explain any concerns or rule violations that may occur and inform the participant of the grievance and appeal process if needed.

## **4. Assessment of Needs and Appropriate Referrals:**

The Service Coordinator will be knowledgeable about the resources within each community. They will establish linkage with agencies, schools, and institutions to coordinate the most comprehensive service. They will assess with each participant and their family, the services that are needed and make referrals that will assist the participant in getting his/her needs met and appropriate services put in place.

A wide range of family related needs will be assessed and referrals made. This will include suitable childcare programs, matching the schedules and location needs of participants. The Service Coordinator will assist participants in development skills to select the childcare facility most suitable for their children. Also, program participants will receive information about resources available to cover the cost of childcare. Information regarding enrichment programs for children will be made available. Parenting resources, including programs offered by community education, YWCAs and YMCAs, Early Childhood and Family Education program, and Head Start will be shared with participants.



Referrals will be made for appropriate mental health and physical health assessment. Care providers, clinics, counseling services, community health and education services will be made available if they are not already being accessed. Some individuals may need chemical dependency evaluations and in-patient or outpatient services. Family violence and abuse issues will be addressed in cooperation with intervention projects and shelters.

Families making the transition from welfare to financial independence will be referred to programs that focus on how these changes impact the family. Most Minnesota welfare reform programs including MFIP have components which assist parents to prepare themselves and their families for this change. Many families experience a feeling of isolation during this time and may need referral to social and community activities for themselves and their families that will aid in the development of a support network.

Some participants may be limited in their ability to address their needs and problems for lack of financial resources. These individuals will be referred to community resources which will address financial needs. Examples are: food shelves (including Fair Share, which involves participants as volunteers), clothes closets, and financial emergency service programs. The McKnight Foundation administers a loan program for individuals who are making progress on employment plans and need assistance with purchases such as cars. Budgeting assistance through community education classes or Consumer Credit Counseling will be utilized.

Financial needs will be assessed by the Service Coordinator. Funds are budgeted under this project to assist with financial needs that must be met to pursue employment goals but cannot be met with any other resources. Often community programs do not have childcare funds to help with expense while participants attend program services. Car repairs are often needed to attend school, and/or utilize community services. Counseling assistance is available for defaulted loans so that participants are eligible to enter a training program that will prepare them for long-term employment.

## **5. Ongoing Contact with Providers to Coordinate Services:**

Case management is often provided in cooperation with many agencies or services that are working together to provide support for the individual family. Communication with other providers will help assure that there is not a duplication of services and that conflicting requirements or expectation between service providers does not occur which can be an overwhelming and

confusing experience. The Service Coordinator will maintain contact with each participant's service provider in an attempt to eliminate such confusion and enhance the cooperative effort to help families reach their goals.

#### **6. Development of a Working Rapport and General Supportive Relationship:**

The Service Coordinator will establish rapport and a positive working relationship with each participant. They will provide positive reinforcement, encouragement and advocacy services to each participant to access needed services and solve problems with institutions and programs.

The Service Coordinator will play a major role in improving the self-image of participants by helping them focus on their strengths and encouraging them to approach their self-sufficiency plans with a positive outlook. The Service Coordinator will be available for informational conversation that assists participants to work through daily problems or decisions that must be made. They will offer problem solving skills and a process for examining situations and making decisions that fit into their long-range goal plan.

#### **7. Maintain Records and Documents:**

Written reports on each participant's progress will be available annually. The report will summarize the goals they have achieved and those yet to be met. The Service Coordinator will complete all necessary forms, maintain all related correspondence, and case notes.

#### **8. Follow-up Services:**

Follow-up contact will be provided to participants for at least one year after completion of their goal to enter employment or upgrade employment. Thereafter, semi-annual contact will be made until participants complete their total self-sufficiency plan. Support groups of residents who have achieved steps toward their plans will be encouraged.

### **8. ESCROW ACCOUNTS**

#### **HOW THE ESCROW ACCOUNT WORKS**

The general concept of the escrow account is that FSS families continue to pay rent in accordance with their incomes (even as their incomes increase due to employment income).

There will be no escrow if the current Family Rent is less than the Family Rent when the Contract was executed.

For there to be an escrow, the current Family Rent must be greater than the Family Rent when the Contract was executed.

The amount escrowed for the family will depend on whether the family is considered a Very Low or Low-Income family.

## **HOW THE ESCROW RELATES TO RENT**

Family Rent is:

- Part of the escrow formula calculations
- TTP for Voucher and Public Housing programs
- 30% of monthly adjusted income for Voucher Program
- 

### **Public Housing**

In Public Housing, the family pays the Tenant Rent to the PHA. The escrowed amount from the worksheet is deducted from Dwelling Rents and put in Public Housing Escrow Account. For purposes of reporting the total monthly rent roll in operating subsidy eligibility under Performance Funding System (PFS), the housing authority will exclude the amount credited to the escrow account.

### **Housing Choice Voucher**

The escrow amount from the worksheet for the voucher will be deducted from the Housing Assistance Payments Account.

## **INCOME AND RENT CALCULATIONS**

The family's Annual Income, Earned Income, and Family Rent will be inserted into the Contract of Participation at execution. These become the baseline figures for future escrow calculations. The figures will be taken from the amounts on the last reexamination or interim determination before the family's initial participation in the FSS Program. If more than 120 days have passed between the effective date of the reexamination and the effective date of the Contract, new verifications will be done.

If the family's earned income increases, it will be compared to the baseline Family Rent. In most cases, the difference will be escrowed. The escrow will

not include increases in income other than earned income. Increases in MFIP for a family in which no family member is employed will not count toward the escrow calculation. If the family participates in education or job training and there is no employment income, there will be no escrow fund calculation made. If the head of household gets married after the execution of the Contract, the spouse's earned income will be counted when computing the escrow, regardless of whether they have an individual training and services plan.

After the effective date of the Contract, an escrow credit calculation will be made for every annual reexamination or interim where there is earned income received by any adult member of the family. Where there is no earned income, there will be no escrow credit.

To establish the actual credit, the housing authority will see whether the Adjusted Income is above or below the Very Low Income Limit.

For families over the Low Income Limit, there will be no FSS credit.

No credits will be made to the family's FSS account when the FSS family has completed the Contract of Participation or when the Contract is terminated or otherwise nullified.

If the family has one or more interim, adjustments during the year, the monthly escrow amount will change accordingly.

## **ESCROW FUND DEPOSITS AND INVESTMENTS**

Each respective housing authority will deposit all escrowed funds into a single depository account for each FSS Program (Public Housing and Section 8). The housing authority gets the funds to deposit into the account directly from the family's rent paid to the housing authority in the Public Housing Program. In the Section 8 program, these funds come from the reduced HAP amounts which are transferred to the escrow account. The total of the combined FSS account funds will be supported in the housing authority accounting records by a subsidiary ledger. This ledger will show the balance applicable to each FSS family.

The housing authority will credit at least annually the amount of the FSS credit due the family. If the housing authority finds that a family did not report income they were required to report, the housing authority will not credit the family's escrow account with any portion of back rent.

## **Investing the FSS Account**

The funds held by the housing authority in the FSS account will be invested in HUD-approved investments specified in HUD Handbook 7475-1. The investment income for funds in the FSS account will be prorated and credited to each family's FSS account. The credit will be based on the balance in each family's FSS account at the end of the investment income credit period. Before applying the interest, the housing authority will check to see whether the family owes rent or other amounts due under the lease for Public Housing and whether the owner has reported that the family has not paid rent or other amounts due under the lease for Section 8. If the family owes amounts, the housing authority will reduce the balance in the account by the amount owed before prorating the interest income.

## **Reporting on the FSS Account**

The housing authority will make a report, at least annually, to each FSS family on the status of the family's FSS account. The report will include the balance at the beginning of the reporting period; the amount of the family's rent payment that was credited to the FSS account during the reporting period; any deductions made from the account for amounts due the housing authority before interest is distributed; the amount of interest earned on the account during the year; and, the total in the account at the end of the reporting period.

## **Disbursing the FSS Account**

The housing authority will disburse the escrow account fund when the family completes the Contract, **and** when no family member receives welfare assistance, or whenever 30% of the family monthly adjusted income equals or exceeds the Payment Standard for the size of the unit for which the family qualifies.

A family can receive the escrow balance if it is still receiving SSI for a disabled family member if the SSI payments are not subject to an income eligibility test.

The family may use the final disbursement of escrow account funds without restriction.

## **Interim Disbursement**

The housing authority will disburse a portion of the funds from the family's escrow account, during the Contract period for Contract-related expenses if the family has fulfilled certain interim Contract goals and needs a portion of the

FSS account funds for school tuition or other school costs, job training expenses, business start-up expenses, or a car when public transportation is unavailable or inaccessible to the family. Before funds will be disbursed, the housing authority will verify that the participant has exhausted all resources. Participants are limited to one disbursement every 12 months. The advance payment from escrow does not have to be repaid to the housing authority if the family drops out of the FSS Program, unless the payment was based on fraud or misinformation by the family.

### **Final Disbursement**

The amount in an FSS account, in excess of any amount owed to the housing authority by the FSS family, will be paid to the head of the FSS family:

When the Contract of Participation has been completed (even if the Contract term has not expired), and when at contract completion, the head of the family certifies that, to the best of his/her knowledge and belief, no family member receives Federal or state welfare assistance, or

Whenever 30% of the family's monthly adjusted income equals or exceeds the existing housing Payment Standard for the Voucher size issued in Section 8 or for the size of the unit for which the family qualifies in Public Housing, based on the housing authority's Occupancy Standard and jurisdiction (even if the five years is not up), and

If the family does not receive welfare assistance, but the family has not met its FSS obligations on or before completion of the FSS Contract of Participation term, the family is not eligible for the escrow.

All family members must be free of Federal and state welfare assistance.

### **Change in Family Composition**

If the head of the FSS family no longer resides with other family members in the assisted unit, the remaining members of the family will have the right to designate another family member to receive funds. The housing authority must be consulted when this happens.

If the head of household marries, household income increases, and the new Total Tenant Payment equals or exceeds the Section 8 Payment Standard, the family is entitled to the escrow, as long as they have met the typical requirements for disbursement of the escrow.

If a family with two adults split up and the housing authority determines that the escrow should be paid to the FSS family, it will be paid to the family member continuing to reside in the unit in Public Housing or retains the Voucher.

## **FORFEITING THE ACCOUNT**

Amounts in the FSS account will be forfeited if the Contract of Participation is terminated, or is completed, but the family is receiving welfare assistance when the contract expires, including extension.

If the head of the family dies and the remaining members of the family choose not to continue participating in the program and the contract obligations have not been met, the escrow funds will be forfeited.

If families do not pay their rents to the housing authority or Section 8 owner, the funds will be forfeited because compliance with the applicable Section 8 or Public Housing lease is a family obligation under the Contract, and, nonpayment of rent is grounds for terminating a family's FSS participation and forfeiture of the escrow.

## **9. TERMINATION AND WITHHOLDING OF SERVICES**

The FSS contract will set forth the terms and conditions a household must meet to retain their eligibility. It will be the responsibility of the case manager to notify the appropriate housing authority if the participant is not fulfilling the terms of their contract. The housing authority will immediately notify the tenant that they are not fulfilling the terms of the contract, and the participant will have 10 days to respond to the housing authority. If no response, the housing authority will notify the participant of the intent to terminate the FSS contract. The housing authority staff will make the final determination whether the participant will be terminated or the terms of the contract modified or extended.

The contract of participation is automatically terminated if the family's Section 8 assistance is terminated in accordance with HUD requirements. The contract of participation may be terminated before the expiration of the contract term, and any extension thereof, by:

1. Mutual consent of the parties.
2. Failure of the FSS family to meet its obligations under the contract of participation, including the failure to comply with the contract

requirements because the family has moved outside the jurisdiction of the housing authority.

3. The family's withdrawal from a FSS Program.
4. Such other act as is deemed inconsistent with the purpose of the FSS Program.
5. Operation of law.

If the determination to terminate is made, the participant will be given a Notice of Termination. The Notice will provide the reason for termination and offer the participant an informal hearing in accordance with the grievance procedure.

If the participant is terminated from the FSS Program, they may retain Section 8 rent assistance, but will be reclassified as a non-FSS family.

### **Transitional Supportive Service Assistance**

The housing authority may continue to offer a former FSS family who has completed its contract of participation and whose head of family is employed, appropriate FSS supportive services in becoming self sufficient (if the family still resides in public housing), or in remaining self sufficient (if the family no longer resides in public or other assisted housing).

## **10. GRIEVANCE PROCEDURE**

If the participant has been given a Notice of Termination from the FSS Program, the following grievance procedures shall be followed:

1. The participant has the right to file a request an informal review within ten (10) days of the date of the Notice of Termination.
2. The informal review shall be heard by the Housing and Economic Development Coordinator or someone else who has no direct day-to-day management of the FSS Program.
3. The participant shall be given adequate notice of the grounds for termination and of the review date to prepare a defense.
4. The review shall be conducted in an orderly and informal manner, allowing evidence pertinent to the facts and issues to be raised by the participants without regard to admissibility under the rules of evidence applicable to judicial proceedings.



5. The housing authority will provide reasonable accommodations for persons with disabilities to participate in the hearing.
  - a. Reasonable accommodation may include qualified sign language interpreters, readers, accessible locations, or attendants.
  - b. If the participant is visually impaired, any notice which is required under this procedure will be in an accessible format.
6. Decisions of the Review
  - a. Within ten (10) working days following the Review, a written decision shall be given to the participants including reasons therefore.

## **11. ASSURANCE OF NON-INTERFERENCE**

The housing authority asserts that a family's decision not to participate in the FSS Program will in no manner affect their admission to the HCV or Public Housing programs or interfere with their continued participation in the programs.

## **12. GLOSSARY OF TERMS**

**ADJUSTED INCOME.** Annual income, less allowable HUD deductions.

**ANNUAL CONTRIBUTIONS CONTRACT (ACC).** A written agreement between HUD and a HA to provide annual contributions to cover housing assistance payments and other expenses pursuant to the Act. If there is a State Agency administering the Section 8 Program, for example, there is usually an ACC between the State Agency and HUD.

**ANNUAL INCOME.** The anticipated total annual income of an eligible family from all sources for the 12-month period following the date of determination of income computed in accordance with the regulations.

**ANNUAL INCOME AFTER ALLOWANCES.** The Annual Income (described above) less the HUD-approved allowances.

**"AS-PAID" STATES.** States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**ASSETS.** (See Net Family Assets.)

**ASSISTED TENANT.** A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

**CHILD CARE EXPENSES.** Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for an adult to further their education.

**CONTRACT.** (See Housing Assistance Payments Contract.)

**CONTRACT RENT.** In the Section 8 Certificate Program, Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP payments from the HA.

**DEPENDENT.** A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disable Person or Handicapped Person, or is full-time student 18 years of age or over.

**DISABLED PERSON.** “Disabled person” means a person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C.423) or in Section 42 U.S.C.6001(7).

**DISPLACED PERSON.** “Displaced person” means a person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal Disaster Relief laws.

**EFFECTIVE DATE.** The “Effective Date” of an examination or reexamination refers to: (i) in the case of an examination for admission, the date of initial occupancy and (ii) in the case of reexamination of an existing tenant, the date of the re-determined rent becomes effective.

**ELDERLY HOUSEHOLD.** A family whose head or spouse or whose sole member is at least 62 years of age or a disabled person as defined in this section or a handicapped person as defined in this section or may include two or more elderly, disabled or handicapped persons living together or one or more such persons living with handicapped person who is determined to be essential

to his or her care and well being.

**ELDERLY PERSON.** One who is at least 62 years old.

**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.

**ELIGIBLE FAMILY (Family).** A family whom the HA has determined meets the criteria for occupying a public housing unit or receiving housing assistance. "Family" as defined by the HA, and approved by HUD, is listed elsewhere in the glossary.

**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

**FAIR MARKET RENT.** The rent limit published in the Federal Register for Section 8 Existing, which includes utilities (except telephone) and ranges and refrigerators. It is used as a standard to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Separate FMRs are established for dwelling units of varying sizes (number of bedrooms) and types. In the Voucher Program, it is used as a cap for the Payment Standard, used in the ACC calculation of subsidy dollars, and is used to calculate the administrative fee

**FAMILY.** The participant must qualify as a Family. A Family consists of:

1. Two or more persons sharing residency whose incomes and resources are available to meet the family's needs and who are either related by blood, marriage or operation of law, or who evidenced a stable family relationship over a period of time.

An expectant mother with no other children will qualify for assistance as a family. She will be listed on the waiting list and qualifies for admission into housing unless she aborts or miscarries prior to admission. Once she is admitted as a single pregnant woman, she will be considered the remaining member of the tenant family if she aborts or miscarries.

2. Eligible singles who meet one of the following definitions (unless otherwise approved by HUD, such as for Rental Rehabilitation Program).  
Person must be

62 years of age; or

Handicapped with a physical impairment which is expected to be of long continued and indefinite duration, which substantially impedes but does not prohibit his ability to live independently, and is of such nature that such ability could be improved by more suitable housing conditions; or

Disabled within the meaning of Section 220 of the Social Security Act or Section 102(b)(7) or 6001(7) of the Developmentally Disabled Act; or

Displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a declared disaster or otherwise formally recognized under federal disaster relief laws. Governmental action is defined as Federal, State, or local government; or

Remaining member of a tenant family.

Low income for public housing or very low income for Section 8.

**FAMILY OF VETERAN OR SERVICE PERSON.** A family is a “family of veteran or service person” when:

1. The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was family member at the time of death.
2. The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless he/she was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support he/she is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that he was a family member at the time of hospitalization and there remain in the family at least two related persons.

**FOSTER CHILDCARE PAYMENT.** Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**FULL-TIME STUDENT.** A person who is carrying a subject load that is considered full time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.

**GROSS RENT.** The sum of the contract rent and the utility allowance. If there is no utility allowance, contract rent equals gross rent.

**HANDICAP ASSISTANCE.** Anticipated costs for care attendants and auxiliary apparatus for handicapped or disabled family members which enable a family member (including the handicapped family member) to work.

**HANDICAPPED PERSON.** A person having a physical or mental impairment which:

1. Is expected to be of long-continued and indefinite duration;
2. Substantially impedes his or her ability to live independently; and
3. Is of such a nature that such ability could be improved by more suitable housing conditions.

**HCDA.** The Housing and Community Development Act of 1974 (sometimes referred to as the Act).

**HEAD OF HOUSEHOLD.** The head of household is the person who assumes legal and moral responsibility for the household and is listed on the application as head.

**HOUSING ASSISTANCE PAYMENT.** The payment made by the HA to the owner of a unit under lease by an eligible family, as provided in the HAP Contract. The payment is the difference between the Contract Rent (Rent to Owner in the Voucher Program) and Tenant Rent.

**HOUSING ASSISTANCE PAYMENTS CONTRACT** (Contract). For Section 8 Existing, the Housing Assistance Payment on behalf of an eligible family paid by the HA. It is the difference between the Contract Rent and the Tenant Rent.

**HOUSING ASSISTANCE PLAN.** (1) A Housing Assistance Plan submitted by a

local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303© submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303© submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

**HUD.** The Department of Housing and Urban Development or its designee.

**HURRA.** The Housing and Urban-Rural Recovery Act of 1983 legislation that created most of the 1984 changes in income, allowances, and rent calculations.

**IMPUTED ASSET.** Asset disposed of for less than fair market value during two years preceding examination or reexamination.

**IMPUTED INCOME.** HUD passbook rate x total cash value of assets. Calculated when assets exceed \$5,000.

**INCOME.** Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

**INCOME FOR ELIGIBILITY.** Annual income.

**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and BMW projects. Includes monthly interest reduction payments made to mortgages of Section 236 projects and front-end loan discounts paid on BMW projects.

**INVOLUNTARILY DISPLACED PERSON.** Involuntarily Displaced participants are participants who have or will (within no more than six months from the date of certification or verification) vacate housing as a result of:

- a. A disaster (fire, flood, etc.)
- b. Federal, state or local government action related to code enforcement, or public improvement or development.
- c. Action by a housing owner that results in a participant's having to vacate his or her unit, which is beyond a participant's ability to control, occurs despite the participant having met all previous conditions of occupancy,

and is other than a rent increase.

- d. Actual or threatened physical violence directed against the participant, or one or more members of the participant's family, by a spouse or other member of the participant's household or the participant lives in a housing unit with such an individual who engages in such violence.

**LANDLORD.** This term means either the owner of the property or his or her representative or the managing agent or his representative, as shall be designated by the owner.

**LARGE VERY LOW-INCOME FAMILY.** Prior to the 1982 regulations, this meant a very low-income family which included six or more minors.

**LEASE.** A written agreement between an owner and an eligible family for the leasing of a housing units.

The Section 8 Certificate and Voucher Program have an Addendum to Lease that has mandatory language which must be incorporated into any lease the HA uses. The Addenda are different for the Certificate and Voucher Programs.

**LOWER INCOME FAMILY.** A family whose income does not exceed 80% of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% on the basis of its findings that such variations are necessary because of the prevailing levels of construction costs or unusually high or low incomes.

**MARKET RENTS.** The rent HUD authorizes the owner in multi-family housing to collect from families ineligible for assistance. For Rent Supplement, Section 202 and Section 8 units, the market rent is the same as the Contract Rent. For BMW units, market rent varies by whether the project is a rental or cooperative.

**MEDICAL EXPENSES.** Those total medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. A deduction for Elderly Households only.

**MINOR.** A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

**MONTHLY ADJUSTED INCOME.** 1/12 of the Annual Income after Allowances or Adjusted Income.

**MONTHLY INCOME.** 1/12 of the Annual Income.

**NEGATIVE RENT.** Now called Utility Reimbursement.

**NET FAMILY ASSETS.** Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition. In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust.

**NET FAMILY CONTRIBUTION.** Former name for Tenant Rent.

**OWNER.** Any persons or entity having the legal right to lease housing.

**PAYMENT STANDARD.** The amount used to calculate the housing assistance a family will receive in the HA's Housing Voucher Program.

**PARTICIPANT.** A family becomes a participant in the HA's Section 8 Existing Program when there is an effective HAP Contract between the HA and the owner on behalf of the family.

**PROGRAM COORDINATING COMMITTEE.** Committee of members established to formulate the Action Plan.

**PUBLIC ASSISTANCE.** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly by Federal, state, or local governments.

**PUBLIC HOUSNG AGENCY (PHA).** Any state, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of housing for low-income families.

**RECERTIFICATION.** Sometimes call reexamination. The process of securing documentation to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. There are annual and interim recertifications.



**REMAINING MEMBER OF TENANT FAMILY.** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., widow age 47, not disabled or handicapped).

**RENT TO OWNER.** This is called Contract Rent in the Certificate Program and Rent to Owner in the Voucher Program. It is the total amount or rent payable per month to the owner by the family and the HA for an assisted unit.

**RESIDENT ASSISTANT.** A person who lives in an Independent Group Residence and provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Section 8 housing assistance and who is essential to these individuals' care or well being. A Resident Assistant shall not be related by blood, marriage or operating of law to individuals receiving Section 8 assistance nor contribute to a portion of his or her income or resources towards the expenses of these individuals (See Sections 882.109(n), 882.106(c) and 882,102 definitions in Appendix 1 of 7420.7.)

**SECRETARY.** The Secretary of Housing and Urban Development.

**SECURITY DEPOSIT.** A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

**SERVICE PERSON.** A person in the active military or naval service (including the active reserve) of the United States.

**SINGLE PERSON.** A person living alone or intending to live alone.

**SSMA.** Standard Statistical Metropolitan Area.

**SPOUSE.** The husband or wife of the head of the household.

**SUBSIDIZED PROJECT.** A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

1. Below-market interest rates pursuant to Section 221 (3)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or
2. Rent supplement payments under Section 101 of the Housing and Urban

Development Act of 1965; or

3. Direct loans pursuant to Section 202 of the Housing Act of 1959; or
4. Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Act of 1974;
5. Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency; or
6. A Public Housing Project.

**SUBSTANDARD UNIT.** Substandard housing:

1. Is dilapidated. A unit is dilapidated if, in the opinion of the Building Official of the City, the unit does not provide safe and adequate shelter and, in its present condition, endangers the health, safety or well being of a family, or it has one or more critical defects or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction or they may result from continued neglect or lack of repair or from serious damage to the structure.
2. Does not have operable indoor plumbing.
3. Does not have usable flush toilet in the unit for the exclusive use of the family;
4. Does not have usable bathtub or shower in unit for exclusive family use;
5. Does not have adequate, safe electrical service;
6. Does not have an adequate, safe source of heat;
7. Should, but does not, have a kitchen;
8. Has been declared unfit for habitation by a government agency;
9. Overcrowded (if the number of household members living in the housing

unit exceeds the number allowed by the HA's Housing Quality Standards).

**TENANT RENT.** (Formerly called Net Family Contribution). The amount payable monthly by the family as rent to the owner (including a HA as owner in Public Housing). Where all utilities (except telephone) and other essential housing services are supplied by the owner, Tenant Rent equals Total Tenant Payment. Where some of all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost thereof is not included in the amount paid as rent to the owner, In the Voucher Program, Tenant Rent is Rent to Owner less HAP.

**TOTAL TENANT PAYMENT (TTP).** The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

**UNIT.** Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from 0 bedrooms (studio/efficiency) to 6 bedrooms.

**UNUSUAL EXPENSES.** Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

**UTILITIES.** Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

**UTILITY ALLOWANCE.** The HA's estimate of the average monthly utility bills (except telephone) for an energy-conscious household. This estimate considers only utilities paid directly by the tenant. If all utilities are included in the rent, there is no utility allowance. Utility allowances vary by unit type and size and are listed on the HA's Utility Allowance Schedule.

**UTILITY REIMBURSEMENT PAYMENT.** The amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

**VERY LARGE LOWER-INCOME FAMILY.** Prior to the change in the 1982 regulations, this was described as a lower income family which included eight or more minors.

**VERY LOW-INCOME FAMILY.** A Lower Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the Certificate and Voucher Programs.

**VETERAN.** A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

**WELFARE ASSISTANCE.** Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, state, or local governments.

### **Glossary of Acronyms**

<b>AAF</b>	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
<b>ACC</b>	Annual Contributions Contract
<b>BR</b>	Bedroom
<b>CDBG</b>	Community Development Block Grant
<b>CFR</b>	Code of Federal Regulations. Commonly referred to as “the regulations.” The CFR is published Federal rules which define and implement a law.
<b>CPI</b>	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
<b>CR</b>	Contract Rent
<b>EOHP</b>	Equal Opportunity Housing Plan
<b>FDIC</b>	Federal Deposit Insurance Corporation

<b>FHA</b>	Federal Housing Administration
<b>FICA</b>	Federal Insurance Contributions Act – Social Security taxes
<b>FmHA</b>	Farmers Home Administration
<b>FMR</b>	Fair Market Rent
<b>FY</b>	Fiscal Year
<b>FYE</b>	Fiscal Year End
<b>GAO</b>	Governmental Accounting Office
<b>GFC</b>	Gross Family Contribution. (Has been replaced by the term Total Tenant Payment [TTP].)
<b>GR</b>	Gross Rent
<b>HAP</b>	Housing Assistance Payment
<b>HAP Plan</b>	Housing Assistance Plan
<b>HCDA</b>	Housing and Community Development Amendments of 1981
<b>HoDAG</b>	Housing Development Action Grant
<b>HMO</b>	Housing Management Officer (in a HUD field office)
<b>HQS</b>	Housing Quality Standards
<b>HUD</b>	Department of Housing and Urban Development
<b>HURRA</b>	Housing and Urban/Rural Recovery Act of 1983
<b>HV</b>	Housing Voucher
<b>IG</b>	Inspector General
<b>IGR</b>	Independent Group Residence
<b>IIP</b>	Initial Implementation Period (for rules requiring documentation of

citizenship and/or eligible alien status)

<b>IPA</b>	Independent Public Accountant
<b>IPS</b>	Initial Payment Standard (applies to the Housing Voucher Program)
<b>IRA</b>	Individual Retirement Account
<b>MSA</b>	Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PCC</b>	Program Coordinating Committee
<b>PHA</b>	Public Housing Agency
<b>PMSA</b>	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
<b>PS</b>	Payment Standard
<b>QC</b>	Quality Control
<b>RAD</b>	Regional (HUD) Accounting Division
<b>RFLA</b>	Request for Lease Approval
<b>RFP</b>	Request for Proposals
<b>RIGI</b>	Regional Inspection General for Investigation (handles fraud and program abuse matters for HUD at the Regional Office level)
<b>RRP</b>	Rental Rehabilitation Program
<b>SRO</b>	Single Room Occupancy
<b>TR</b>	Tenant Rent
<b>TTP</b>	Total Tenant Payment
<b>UA</b>	Utility Allowance
<b>URP</b>	Utility Reimbursement Payment

### **13. PROGRAM COORDINATING COMMITTEE**

Marcia Highum, Program Supervisor/Job Counselor, Blue Earth County  
Employment Services

Patti Ziegler, Housing and Economic Development Coordinator, City of  
Mankato

Holly Kaduce, Financial Asst. Specialist, Blue Earth County Human Services

Ann Macgregor, Minnesota Valley Action Council

Peggy Wiese, Executive Director, SCMMCHRA

Dawn Michels, Financial Worker, Nicollet County Human Services

Jodi Hillesheim, Section 8 Program Coordinator, Mankato/Blue Earth County  
EDA

Ruth Johnson, Section 8 Program Coordinator, Mankato/Blue Earth County  
EDA

Nichole Ulman, SCMMCHRA

Karen Wagner, Supervisor, Mankato Work Force Center

Carolyn Hiniker, Adult Basic Education, ISD #77

Jennifer Fuller, Blue Earth County

Current FSS program participants are encouraged to participate on the  
program coordinating committee.

**MANKATO/BLEU EARTH COUNTY ECONOMIC DEVELOPMENT  
AUTHORITY  
HOUSING CHOICE VOUCHER HOMEOWNERSHIP PROGRAM**

In accordance with federal regulation 24 CFR Part 982, Subpart M; the Mankato/Blue Earth County Housing Authority (EDA) will implement the Housing Choice Voucher (HCV) Program Homeownership Program as follows.

The Mankato/Blue Earth County EDA Homeownership Program offers an option for families that receive voucher tenant-based assistance: homeownership. The mission of this program will be to provide homeownership possibilities, self-sufficiency training and support, and facilitate community growth, while providing parameters to minimize defaults which subsequently have a negative impact on both the family and neighborhood.

For the purpose of this demonstration program, the Mankato/Blue Earth County EDA has partnered with several local agencies to assist in the implementation of the program by providing services, support, and expertise in a myriad of areas. These partnerships will strengthen and effectively broaden the impact of the Mankato/Blue Earth County EDA Homeownership Program within the county. Such partnering will include Blue Earth County Human Services, Lutheran Social Services, the Homestretch Counseling Program, Minnesota Housing, the Homeownership Center, the Greater Minnesota Housing Fund, State Farm Insurance Foundation, as well as local lenders,



closing agents, and builders.

**Program:**

In order to effectively develop and facilitate the Mankato/Blue Earth County EDA Homeownership Program, the Mankato/Blue Earth County EDA partners have agreed upon a set policy for the administration and implementation of the program. This covers the program targets, applicant eligibility for the program, the application process, the financial and participatory requirements of the program, and the responsibilities of the Mankato/Blue Earth County EDA and its partners in the administration of the program.

**Program Targets:**

This program will provide assistance for first-time homebuyers as defined by current HUD policy, or for families acquiring shares in a Cooperative. This assistance may only be used to purchase existing housing as well as new construction. Units involved with project-based subsidies and mobile homes will not be considered.

**Eligibility:**

The Homeownership Program option will be offered only to current participants who have good credit or who are working to repair credit, and have established a savings account. Efforts will be made on a case-by-case basis to allow reasonable exceptions to time limits or other rules to help make the homeownership voucher an attainable goal.

Families must demonstrate that monthly gross income of the head of household and spouse/partner, if applicable, is sufficient to meet homeownership and other family expenses for the initial qualification for the program. As a minimum, an applicant family must have annual income equal to the minimum wage times 2000 hours, or SSI income for 12 months. Public Assistance will not be included when qualifying for the minimum income requirement, except for elderly or disabled families. No previous default on a mortgage obtained through the Homeownership Program may have occurred.

In addition, except for elderly or disabled families, a full-time employment record (at least one full year prior to application) will need to be submitted and reviewed as part of the application process.

**Application:**

Families who indicate interest in the Homeownership Program, will have their eligibility determined by the Mankato/Blue Earth County EDA Section 8 staff. In compliance with established procedures, the Mankato/Blue Earth County EDA will require police record checks for all adults in the household, and a credit report. Families must also be in good standing with the agency, meaning they have no outstanding debt to the Mankato/Blue Earth County Housing Authority for previous damages or unpaid rent. After found to be eligible, families will then be briefed for the Homeownership Program.

After pre-qualifying and graduation from the counseling component, the family will be advised to shop for a home. Before a purchase agreement is signed, the EDA will perform an inspection to approve the house. After that choice has been made, the family will be allowed an additional 90 days to secure financing and close on the chosen property. At the option of the Mankato/Blue Earth County Housing Authority, due to reasonable circumstances and requests, these time limitations may be extended or revised. Should a family be unable or unwilling to follow through with the Homeownership option, the family will maintain a Housing Choice Voucher.

### **Program Requirements:**

Once a participant in the Mankato/Blue Earth County Housing Authority Homeownership Program, the family must live in the home purchased, comply with the mortgage and, at the option of the Mankato/Blue Earth County EDA, attend and complete additional homeownership counseling. Annual recertification of the family will be required. The limit of homeownership assistance will be a maximum of 15 years from the date of the first Mankato/Blue Earth County EDA Homeownership Program subsidy payment. Exempt from this limitation of assistance will be elderly and disabled families.

The Mankato/Blue Earth County EDA will encourage participants to establish a savings account at the time of closing. The purpose of this savings account will be to generate a reserve fund for replacement/repair needs. Amounts may be withdrawn periodically for any needed repair or replacement for the home.

If a family defaults on the home mortgage, the family will have their rental voucher withdrawn and no new voucher will be issued.

### **Financial Structure:**

The Program will prohibit any financing which includes balloon payments, variable rates, or private seller financing. A requirement that the maximum interest rate be no more than one percentage point above the current Fannie

Mae ninety-day delivery note rate will also provide structure to the financing arrangement.

### **Physical Inspections:**

In accordance with 24 CFR 982.630 an inspection of the property is to be completed only by inspectors who are certified by the American Society of Home Inspections. Such inspection will require the inspector to establish a list of items that are likely to need repair or replacement within the subsequent five-year period. This inspection will cover the major building systems and components, including the foundation and structure, the housing interior and exterior, and the roofing, plumbing, electrical, and heating systems.

The Mankato/Blue Earth County Housing EDA will conduct an initial HQS inspection for the home.

### **Homeownership Counseling:**

Candidates for the Homeownership Program will be required to participate in the First Home Homebuyer Club Program. Throughout the pre-qualifying, qualified candidate, home purchasing, and homeownership phases of the program, the housing office will refer program participants to HUD approved counseling for such areas as: types of financing, how to find appropriate financing; credit counseling; budget and money management; how to find a home; selecting a neighborhood with schools and public transportation; how to negotiate a purchase price; and home maintenance. Through this counseling, families will also be encouraged to consider the advantage of purchasing outside of impacted areas.

The Mankato/Blue Earth County EDA Homeownership Program as presented here will be another tool in which the needs of low-and very low-income residents within Blue Earth County are addressed in a progressive and substantial manner. The development of this program, designed to partner with other community groups, will move Section 8 program participants to achieve to goal of homeownership.

The Authority will have the option of making revisions to this plan retroactively effective, with best interest of the participant the deciding factor.

## **Limited English Proficiency (LEP) Plan**

### **I. MISSION**

The mission of this plan is to aid the Mankato and Blue Earth County Economic Development Authority (EDAs) personnel in providing meaningful access to EDA's programs and activities by persons with Limited English Proficiency (LEP). The EDA shall provide reasonable accommodations to assist LEP clients to ensure equal opportunity, despite language barriers, in compliance with federal requirements.

### **II. DEFINITION OF TERMS**

**1. Client** – A client is a person who:

- a. is an applicant for public housing, Section 8, homeownership and other EDA programs;
- b. is a recipient of public housing, Section 8, homeownership and other EDA programs; or
- c. may be eligible for EDA's programs, but is underserved and may benefit from an outreach program.

**2. Effective Communication** –Effective communication occurs when EDA staff has taken reasonable steps to provide meaningful access to an LEP client. Effective communication also means that the LEP client is able to provide and receive required or necessary information.

**3. Interpretation** – Interpretation means the oral or spoken transfer of a message from one language into another language.

**4. Language Assistance**- Language assistance includes interpretation and translation. EDA has the sole discretion to determine whether to provide the language assistance in the form of interpretation or translation.

**5. Limited English Proficiency (LEP)** – A person who does not speak English as their primary language **and** who has a limited ability to read, write, speak or understand English may be limited English proficient (LEP) and may be entitled to language assistance with respect to a particular program, benefit or right. The focus is on the client's lack of English

proficiency. A client who proficiently speaks English is not a LEP client.

**6. Meaningful Access** – Meaningful access is free language assistance in compliance with federal requirements. EDA’s goal is to provide meaningful access to EDA’s programs and services by LEP persons in a manner that balances the following four factors:

- a. The number of or proportion of LEP persons eligible to be served or likely to be encountered by EDA.
- b. The frequency with which EDA comes into contact with a particular language. EDA’s daily contact with a particular language may require more language service, than sporadic contact.
- c. The nature and importance of the program, activity or service to the person’s life. A compulsory activity is evidence of importance. For example, voluntary attendance at a resident meeting does not have the same importance as the application and termination process for public housing and Section 8 participation.
- d. EDA’s resources and the cost of providing meaningful access. Reasonable steps may cease to be reasonable where the costs imposed substantially exceed the benefits. EDA determines the budget for language assistance.

**7. Translation** – Translation means the written transfer of a message from one language into another language.

### **III. OFFER OF FREE LANGUAGE ASSISTANCE**

EDA staff will offer the opportunity for meaningful access to LEP clients who have difficulty communicating in English. If a client asks for language assistance and EDA determines that the client is LEP and that language assistance is necessary to provide meaningful access, EDA will make reasonable efforts to provide free language assistance. If reasonably possible EDA will provide the language assistance in the LEP client’s preferred language.

### **IV. LANGUAGE ASSISTANCE**

#### **1. Mix of Language Assistance**

EDA has substantial flexibility in determining the type of language

assistance necessary to provide meaningful access. Meaningful access should be at a time and place that avoids the effective denial of the program or an undue burden or delay in the rights, benefits or services to the LEP person.

## **2. Formal Interpreters**

- a. Formal interpreters include EDA bilingual staff and contract vendors.
- b. Formal interpreters shall be used at the: 1) informal review for denial of admission to public housing and voucher programs; 2) informal hearing for termination of public housing; 3) informal hearing for voucher programs; and 4) termination.
- c. An EDA staff interpreter may not be a subordinate to the person making the decision.

## **3. Informal Interpreters**

- a. Informal interpreters may include the family members, friends, legal guardians, service representatives or advocates of the LEP client. Informal interpreters may be appropriate depending upon the circumstances and subject matter. However in many circumstances, informal interpreters, especially children, are not competent to provide quality and accurate interpretations. There may be issues of confidentiality, competency or conflict of interest.
- b. An LEP person may use an informal interpreter of their own choosing and expense in place of or as a supplement to the free language assistance offered by EDA. If possible, EDA should accommodate a LEP client's request to have an informal interpreter. In these cases the client and interpreter should sign a waiver of free interpreter services.
- c. EDA may risk noncompliance if it requires, suggests, or encourages a LEP client to use an informal interpreter.
- d. If a LEP client prefers an informal interpreter, after EDA has offered free interpreter services, the informal interpreter may interpret.
- e. If a LEP client wants an informal interpreter, EDA may also have a formal interpreter present.

#### **4. Outside Resources**

- a. Outside Resources may include community volunteers, non-profit organizations, and EDA residents or voucher program participants.
- b. Outside Resources may be used for interpretive services at public or informal meetings or events.

#### **5. Emergency Situations**

Any interpreter may be used in an emergency situation. EDA should first respond to the emergency and follow-up with language assistance as appropriate.

#### **6. Document Use of Interpreter**

EDA staff will document in the LEP client's file or record when an interpreter is used during the application and termination process to a EDA program or during a public housing grievance procedure.

### **V. STAFF TRAINING**

- 1. EDA will make the LEP Plan available to staff.
- 2. EDA will inform new employees of MEDA's duty to offer free language assistance in compliance with federal requirements.
- 3. EDA Staff who have ongoing contact with LEP clients will attend LEP training.
- 4. LEP training will include the following:
  - a. EDA's duty to offer free language assistance in compliance with federal requirements;
  - b. The substance of EDA's LEP Plan;
  - c. How to document a client's language needs; and
  - e. Identity of bilingual staff and contract interpreters.

## **VI. MONITORING**

1. Periodically, EDA will review the LEP Plan. The review will include:
2. Reports on the number of EDA clients who are LEP.
3. Reports listing the most frequent languages used by LEP clients.
4. Examination of staff request for contact interpreters: number of requests, languages requested, cost, etc.
5. Annual review of the LEP Plan by determined persons.



**Mankato and Blue Earth County EDAs  
Housing Choice  
Project-Based Voucher (PBV) Plan**

**I. Overview**

**A. Purpose of Program:** The program goals for the Project-Based Voucher (PBV) Plan are:

1. To contribute to the upgrading and long-term viability of the area's housing stock.
2. To increase the supply of affordable housing and location choice for very low-income households.
3. To integrate housing and supportive services such as education, case management, job training, and daycare to help families and individuals achieve stability and self-reliance.
4. To promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions.
5. To assist the State of Minnesota's "Business Plan to End Long-Term Homelessness" and City of Mankato Consolidated and PHA Plans, by providing rental subsidies to supportive housing and other programs that are designed to house homeless persons.

**B. Program Elements:**

1. An EDA may attach up to 20 percent of its voucher budget authority to PBV units.
2. The units may be new construction, rehabilitated or existing units.
3. Not more than 25 percent of the units in any building may be assisted with PBV. The exceptions to this limitation are

for single-family properties (defined as 1-4 units in a building) and “excepted units” in a multi-family building. Excepted units are those that are specifically made available for elderly or disabled families or families receiving supportive services.

4. The location of PBV units must be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities.

**C. Requirements for Participation:**

1. Competitive Selection Process: The EDA must follow a competitive selection process as described in the regulations at 24 CRF §983.51.
2. Developers/Owners Proposal: Developers/owners must submit a proposal for PBV either in response to a Request for Proposals (RFP) issued directly by the EDA or through another public agency’s competitive selection process, such as the “Super RFP” administered by the Minnesota Housing Finance Agency (“Minnesota Housing”).
3. Selection Criteria: The EDA will review proposals requesting PBV’s based on the following selection criteria (100 points possible):
  - a. Ending Homelessness: Projects that meet the goals of the State of Minnesota’s “Business Plan to End Long-Term Homelessness” and similar Ramsey County and City of St. Paul plans, by providing rental subsidies to supportive housing and other projects that are designed to house homeless persons. 20 points for (a) or (b) or both.
  - b. Supportive Housing: Projects that identify and integrate tenant support and self-sufficiency services (i.e. education, job training, employment, daycare); or special accessibility for physically handicapped; or amenities or services for elderly, handicapped, or special need tenants. 20 points for (a) or (b) or both.

NOTE: A project that meets the criteria in both (a) and (b) above will receive 20 points, not 40 points, plus additional points based on the criteria stated below.

- c. Documented need for the proposed type of residential housing in the proposed geographic area. Projects that serve families with children (specifically 2+ bedroom units) will receive highest priority in this category. 15 points.
- d. Prior extensive experience of the applicant in developing and managing similar residential housing and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal. 15 points.
- e. Location: Extent to which the project contributes to the geographic distribution of affordable housing throughout the city of Saint Paul, promotes deconcentration of poverty, and furthers fair housing objectives. 10 points.
- f. Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including public transportation, health, education, and recreational facilities. 5 points.
- g. Support: Extent of community and constituency support for the proposed type of housing. 5 points.
- h. Partnerships: Extent to which the proposed project has been developed as a result of a cooperative agreement or arrangement among public, semi-public or non-profit agencies or organizations. 5 points.
- i. WBC/MBE/DBE: Extent to which women-owned, minority-owned and disabled-owned business enterprises (WBE/MBE/DBE) or Section 3-qualified businesses (as defined in 24 CFR Part 135) are represented in the development, ownership, administrative and/or management process. 5 points.

- j. Additional PBVs for current PBV projects: Extent to which more PBV vouchers would help stabilize a current PBV project that is jeopardized by changing circumstances; for example, loss of another comparable rent subsidy. 5 points.
- K. If using a selection process such as the Super RFP through MN Housing; the selection criteria specified in the Super RFP will supersede the above listed criteria.
- 4. Before the PHA will provide voucher rent assistance, all developments must have PHA Board approval, HUD approval, meet Housing Quality Standards and have an executed Housing Assistance Payments Contract.
- 5. Before committing to offer more HCV's for PBV use, the PHA will consider the need for vouchers to renew or extend HAP contracts with existing PBV projects.

## **II. ELIGIBLE UNITS**

### **A. Eligible Units:**

- 1. All PBV selected sites must be in compliance with PBV goals, Civil Rights requirements and Housing Quality Standards. The EDA will review the applications to determine if the location is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities and must take into consideration the site selection standards listed in 24 CFR §983.57 and the PBV program goals.
- 2. To define a PBV unit as a unit in rehabilitated housing, each unit must require a minimum of \$3,000 rehab costs.
- 3. For units requesting an exception to the 25 percent cap in a building, and that exception is based providing supportive services, the services must be designed as services essential for maintaining or achieving independent living such as, but not limited to, counseling, education, job training, health care, mental health services, alcohol and other substance abuse services, childcare services and or case management services. These services may be defined as being a

participant in an EDA's FSS program.

**B. Ineligible Units:** The EDA may not attach PBV assistance for units if the following types of housing:

- 1, Shared housing.
2. Units on the grounds of a penal, reformatory, medical, mental or similar public or private institution.
3. Nursing homes or facilities providing continuous psychiatric medical, nursing service, board and care or intermediate care.
4. Units that are owned or controlled by an educational institution and are designated for occupancy by students of the institution.
5. Manufactured homes.
6. Cooperative housing.
7. Transitional housing.
8. High rise elevator units for families with children.
9. Owner occupied units.
10. Units occupied by an ineligible family.
11. Units subsidized with any governmental rent subsidy or any governmental subsidy that covers all or any part of the operating costs of the housing. (24 CFR 983.54 (c)-(d))

### **III. APPLICANT ELIGIBILITY FOR PARTICIPATION**

- A. They must meet the eligibility requirements for tenant-based Housing Choice Voucher Program.
- B. Persons who will reside in PBV units may come from the EDA waiting list or be referred by the owners.

1. For supportive housing PBV units, the EDA will accept applicant referrals from the supportive housing manager or administrator. The referred applicant will be processed to determine eligibility.
  2. The EDA will survey its regular waiting list no less than once a year for each bedroom size for vacancies in non-supportive housing PBV developments. If the EDA is unable to provide enough eligible applicants from its waiting list to fill PBV units, the owner may refer applicants to the EDA.
- C. The EDA will not screen applicants for family behavior. This will remain the responsibility of the owner. The EDA will provide owners of PBV units the applicant's current and prior address (as show on EDA records) and the name and address (if known) of the landlord at the family's current and any prior address. The EDA will inform the applicant that this information is being provided to the owner of the PBV unit.
- D. If the owner of a PBV unit denies a PBV applicant that has come from the EDA waiting list, that denial does not affect their place on the waiting list for tenant-based assistance.
- E. If the EDA's waiting list is closed and the owner refers an applicant (because the EDA was unable to provide interested, eligible applicants) that applicant will be placed on the waiting list as a special admission for PBV program. The applicant must still meet all tenant-based Housing Choice Voucher eligibility requirements.
- F. If an applicant from the EDA waiting list has been approved by the owner and is in verification status with the EDA and their name comes to the top of the waiting list to receive tenant-based assistance (TBA; that is, a Housing Choice Voucher/HCV), the applicant will be given the option to continue to be processed for the PBV unit or to be processed for a TBA voucher. The applicant will sign a statement declaring their choice.

#### **IV. LEASES AND HOUSING ASSISTANCE PAYMENTS CONTRACTS**

- A. If the owner uses a standard lease form for rental to unassisted tenants, the lease for a voucher-assisted tenant must be in such

standard form but it must be for a one-year initial term and it must include the HUD tenancy addendum. The lease must specify the name(s) of the owner(s) and the tenant, the address of the unit rented, the term of the lease including any provision for renewal, the amount of the tenant rent to owner, a listing of what services, maintenance, equipment and utilities to be provided by the owner and the amount of any charges that are for food, furniture or supportive services.

- B. The initial term and any renewal terms of a PBV Housing Assistance Payments (HAP) contract between the owner and the EDA shall not exceed the limits established by federal law and regulations. The length of the initial term and any extensions will be negotiated with the owner and the form will be subject to any HUD-prescribed conditions at the time of the extension.
- C. An owner may request an increase to the rent at the annual anniversary of the HAP contract by a 60 day written notice to the EDA.
- D. The EDA will not include the vacancy loss clause in a new, renewing or extended PBV contract.
- E. If a PBV unit remains vacant for six months, the EDA will consider removing the unit from the Housing Assistance Payment Contract, thus permanently reducing the number of units under the contract in that project.

## **V. CONTINUED PARTICIPATION**

- A. A family may choose to move out of a PBV unit with continued assistance any time after 12 months, except as stated in Section VII. Cost-Saving Measures below.
- B. If a PBV tenant is determined no longer eligible for the PBV program, they will be given a minimum of 30 days to vacate a unit. If the family does not vacate the unit, the EDA must remove that PBV unit from the HAP contract or substitute a similar unit in the building. A PBV tenant who is terminated from the PBV program will be given a minimum of a 30 day notice of the termination and must vacate the unit on or before the effective date of the termination.

- C. If the family receives no rent assistance because the family's income has reached a level where their TTP is equal to or exceeds the gross rent for the unit, the family will be required to vacate the unit. If the family does not vacate the unit, the EDA must remove the unit from the HAP contract or substitute a similar unit in the same complex.
- D. If the EDA determines, at annual recertification, that the family is occupying a wrong size unit or determines anytime that the family is occupying a unit with accessibility features that the family does not require but another family does require, the EDA will offer continued assistance in the following order:
1. An appropriate unit in another PBV unit either in the same building or another PBV assisted building.
  2. Tenant-based assistance if the family has been a PBV participant for 12 months.
  3. Other project based assistance (public housing unit).

If the tenant accepts tenant-based assistance, the EDA will terminate the housing assistance payments for the wrong-sized unit or accessible unit at the expiration of the term of the family's voucher.

If the EDA offers option 1, 2, or 3 above and the family does not accept the offer, and does not move out of the unit within 60 days or any EDA approved extension, the EDA will terminate housing assistance payments for the wrong sized unit or accessible unit.

- E. If a family resides in an excepted unit, that is a unit that provides FSS services or other supportive services and the family fails without good cause to complete its FSS contract or supportive services requirement, then the EDA will give the family a 60 day notice that the housing assistance payment will terminate and the family must vacate the unit in 60 days.

The EDA will monitor these required supportive services at least annually, by having the participant complete a supportive services



survey form.

- F. If the tenant is absent from the unit for longer than 180 days, the EDA will terminate assistance to the unit. Provisions regarding substituting a similar unit in the same building apply or the EDA may amend the HAP contract to reduce the number of units assisted if the tenant has not vacated the unit.
- G. If a family occupying a PBV unit in the first 12 months of tenancy chooses to move to another PBV unit, they will be required to live in the new unit for 12 months before being eligible for a tenant-based voucher. If the family is asked to move to another unit because they over- or under-occupy their current unit or because the unit is needed by a family needing handicapped accessibility features, that family will still need to sign a 12 month lease on the new unit, but should they request and be granted a mutual lease termination by the owner, and providing that their cumulative time in a PBV unit has been 12 months or more, they will be give a Housing Choice Voucher.

## **VI. RECORDS RETENTION**

The “project file” for any new PBV project must contain the inspection reports demonstrating that every subsidized unit passed an HQS inspection before the EDA executed the Housing Assistance Payments Contract with the property owner. The inspection reports must be retained in the project file throughout the duration of the contract and for at least three years thereafter.

The project file must also contain documentation that the required Subsidy Layering Review and Environmental Review were conducted and approved by HUD.

## **VII. COST SAVINGS MEASURERS: See Part 6 Section XIII**

If voucher utilization or subsidy spending is anticipated to exceed authorized limits, the EDA may temporarily suspend issuing tenant-based vouchers to families moving out of PBV units. The EDA may also temporarily stop approving new families moving into vacant units in PBV projects.

